

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 1, 1928

**"Why not insure our business  
against competition?"**

**JIM FINK** and Bert Gilmore, local insurance agents in a thriving industrial town, were thoroughly scared.

They had read in insurance papers how self-satisfied agents had lost insurance business on nearly a billion dollars in property value last year, simply because competitors had shown local agents' clients how they could reduce insurance rates 40% to 80% by installing automatic sprinklers. And now Gilmore had just heard that a big city broker was at work in their town using low sprinkler rate bait in angling for Fink & Gilmore's large line clients.

"Well, Jim," said Gilmore, "only way we can meet this competition is to offer the same kind of proposition and do it quickly. May lose some commissions but that's better than losing the accounts altogether. Foolish we didn't see that before. Only wish we knew more about sprinklers."



"No use complaining now, Bert. Let's send for Grinnell's sprinkler expert right away. Then we'll submit sprinkler plans of our own. It will lower our commissions on fire policies, but I bet we can get it all back by selling other protection such as use-and-occupancy, liability and so forth. Lots of our customers said they couldn't afford much besides fire insurance with the rates so

high, but the saving with sprinklers will cover the other insurance, too, and our commissions will be about the same as before."

Fink was exactly right. He and his partner, with Grinnell's help, managed to hold most of their accounts where sprinklers were a factor. Today, their commissions total larger than ever. Had they been first to suggest sprinklers instead of waiting until their hand was forced, returns would have been still higher.

Today, thinking agents everywhere are insuring their business against competition by being **FIRST** to point out the advantages of Grinnell Sprinkler installations. It will pay **YOU** to do likewise. In any case send for our free booklet.

Please send, free, "The Local Agent and Automatic Sprinklers,"—and Roger W. Babson's letter that analyzes the advantages of the Grinnell Sprinkler Finance Plan.

Name .....

Firm .....

Address .....

Grinnell Co., Inc., 251 W. Exchange St.,  
Providence, R. I.

## GRINNELL COMPANY

Executive Offices: Providence, R. I. Branches in all principal cities.



The Great Baltimore Fire  
February 7-8, 1904

75<sup>th</sup>  
Anniversary

THE heart of Baltimore... burned out... smoldering ashes and hideous debris blanketing 140 acres of growth and prosperity just two days before. Fifty million dollars sacrificed on the pyre of Moloch. Thirty hours of seething conflagration... seventy blocks... 2,500 buildings totally destroyed.

Such disaster can not be readily visualized. It is difficult to conceive blocks of so called fire proof buildings crumbled and ravaged by fire. To insurance companies it means saved dollars given to the sufferers to indemnify their losses. To the Home this fire was one more demonstration of its ability to pay losses promptly and fairly.

THE HOME INSURANCE COMPANY NEW YORK

1853  1928  
THE HALLMARK OF INSURANCE  
Seventy Fifth Anniversary Year



# The National Underwriter

Thirty-Second Year No. 44

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 1, 1928

\$4.00 Per Year, 20 Cents a Copy

## COMPETITION GROWS AS COMPANIES FORM

Approximately \$75,000,000 of New  
Capital Enters Business  
This Year

## PREMIUMS ARE AT PEAK

Officials Urge Agents to Try for In-  
creasing Writings on Resi-  
dence Risks

NEW YORK, Oct. 31.—Since the beginning of the present year approximately \$75,000,000 of new capital has entered the fire insurance business, company formations having been effected in all parts of the country. While a number of the institutions are comparatively small and intend operating in a restricted territory, depending for support on the appeal to state or sectional pride, others are strongly backed and intend doing a country-wide business. The aggregate competition from the new entrants is fully appreciated, and established offices realize that they will have to put forth their utmost endeavor to maintain existing incomes, to say nothing of increasing them. Some companies are fortunate enough to have made modest gains, but the great majority concede they are about holding their own, some frankly admitting they have fallen behind.

It is generally agreed that the fire insurance premiums of the country are at their peak and that little increase can be looked for from mercantile and stock lines. The generally superior type of construction now employed in mercantile buildings and the steady increase in the number of properties installing automatic sprinkler systems makes for a sharp rate reduction on the class, without, of course, any curtailment of liability. In practically all of the large cities the enhancement of land values and the steady rise in taxes, make imperative the demolition of the old type of mercantile building and the substitution of modern structures.

### Public Favors Apartments

What is true of mercantile properties holds measurably true with respect to residences. The many storied apartment is supplanting the individual residence, householders deserting the latter for the former in order to get away from the help problem, and to take advantage of the many conveniences supplied by the up-to-date apartment building. This, too, makes for a reduced premium income, the modern apartment carrying a rate as low in many instances as 15 or 18 cents, as against 50 or 75 cents charged the old type of residence.

Changed business methods have largely reduced the stocks of merchandise formerly carried, present practice being to ship in small quantities and at frequent intervals rather than to make deliveries two or three times in large volume. This once important premium

## TEMPORARY INJUNCTION IS GRANTED COMPTNIES

### 113 CARRIERS ARE AFFECTED

Ruling Prevents Kentucky Auditor from  
Interfering With Instituting  
Rate Increase

FRANKFORT, KY., Oct. 31.—A decision upholding a temporary injunction granted 113 fire companies doing business in Kentucky to prevent State Auditor Clell Coleman from interfering with their collection of 12½ percent increase in premiums was handed down by Judge A. M. J. Cochran in federal court in Covington. The decision was made on a motion presented by attorneys for the state auditor asking the court to set aside the temporary injunction.

### Allow Amended Bill

Judges Charles I. Dawson and Charles Moorman sat with Judge Cochran in the case. The court, in addition to overruling the motion to dismiss the temporary injunction, allowed an amended bill to be filed setting up the individual experience of the companies, in which it was claimed that the order of the state auditor not allowing them 12½ percent increase was confiscatory. The original bill did not set up the individual experience of any company, but set up the aggregate experience of all of them, according to Judge Cochran.

### Effect of Missouri Decision

The U. S. Supreme Court in deciding the Missouri case, held that the aggregate experience of all companies did not present a federal question, and because of that dismissed the case. The amended bill changed the case, Judge Cochran pointed out, by setting up the individual experience of each company. Refusal of the court to set aside the temporary injunction means that the injunction will remain in force until the case is tried on its merits, the court explained.

producer has shrunk considerably in late years and the process continues and is likely to, in view of the ever expanding rapid rail and road transportation systems.

### Residence Lines Sought

In the light of recognized conditions, company officials feel that the agency force should direct its attention to driving for additional insurance on individual home owners, particularly those living in the smaller cities and towns. It is estimated that the total number of residences is close to 20,000,000, the great majority being under-insured. While the premium on a home is comparatively small, yet if a systematic effort were put forth to write residence properties as a class the aggregate income would be very substantial, and as the business is of the preferred type and compensated for by the companies accordingly, it would be well worth while for any local man to concentrate his energies in this direction for a time at least. The average home owner already carries indemnity on his property and no argument is required to

## LUCE IS VICE-PRESIDENT OF PROVIDENCE COMPANIES

### WILL REMAIN IN WEST

Announcement of Election Made by  
President Dunlop of Providence-  
Washington and Anchor

PROVIDENCE, R. I., Oct. 31.—Following a meeting of the directors of the Providence-Washington and the Anchor, its newly organized running mate, President C. D. Dunlop announced that Frederick B. Luce has been elected vice-president and manager of the western department. Mr. Luce came



FREDERICK B. LUCE

to the Providence-Washington in January, 1921, and has been very successful in his field. He will remain in Chicago and there will be no change in the management of the western department.

Mr. Luce has been active in the various organizations. He is a former president of the Illinois State Board. A few years ago he served as president of the Fire Underwriters Association of the Northwest. He is now acting secretary of the Western Union.

convince him of its necessity. Few, however, realize how their properties have enhanced in value during the past few years and owners could easily be induced to increase the insurance they now carry to a figure that would meet replacement values. And what is true of the building applies equally to its contents.

### Chance for Other Lines

Another advantage is to be gained from systematic solicitation of residence insurance, if advantage is taken of the excellent opportunity it affords for securing additional lines of coverage, such as owners' landlords', and tenants' liability, personal accident, and kindred forms of indemnity, each of which has its especial appeal and could profitably be brought forward by the alert local agent.

## NEW CHICAGO BOARD COMMISSION PLAN UP

Special Meeting Is Called for Nov.  
14 to Pass on Proposed  
Amendments

## DETAILS OF AGREEMENT

Company Men Have No Part in Pre-  
paring New Draft but Approve  
Move by Board

A special meeting of the Chicago Board is called for Nov. 14 to pass on proposed amendments to the constitution and by-laws governing commissions, brokerage and eligibility of members. The joint committee of the Western Union, Western Insurance Bureau and Chicago Board that has been meeting for some time found it impossible to agree on a plan. The Chicago Board adopted the original agreement. The Western Union passed it with certain changes and the Western Insurance Bureau approved it but gave no authority to its committee to agree to any changes. It was, therefore, seen that any modified agreement would have to go to special meetings of the two company organizations.

### New Draft Is Prepared

General Manager Ernest Palmer, who acted as chairman of the joint committee, suggested that a proposed plan be drawn up by the Chicago Board committee. The company men have had no part in preparing this agreement. However, they sanction the move of Mr. Palmer and his associates. The new draft has been prepared.

The commissions for Class 1 members are 21 percent on ordinary business including the stock yards and 20 percent on preferred. The commissions within the principal city district and elsewhere in Cook county are 25 and 35 percent respectively. The sprinkler leakage commission is 25 percent. The commissions for Class 2 agents or those outside the city district are 15 and 25 percent respectively with 15 percent for sprinkler leakage. Class 2 agents can only write in the county outside the principal city or congested districts.

### Rates for Brokerage

In brokerage involving exchange business between Class 1 members the rate is 10 and 15 percent in the congested district and 15 and 25 percent in the city district and elsewhere in the county. When Class 3 agents place business with Class 1 their commission in the congested district will be 10 and 15 percent and 15 and 25 percent elsewhere. Class 3 brokers or whole-time brokers are to receive 10 and 15 percent in the congested district and 15 and 25 outside. Class 4 brokers, who are real estate firms and banks, are paid 10 and 15 percent in the congested district and 10 and 20 percent elsewhere. This class

(CONTINUED ON PAGE 58)

## CRITICISM BY MUTUALS DECLARED UNJUST

### FISK PRESENTS STATEMENT

**Declares National Agency Association Public Relations Committee Is Not Conducting Propaganda Campaign**

Earl E. Fisk of Green Bay, Wis., chairman of the committee on public relations and education of the National Association of Insurance Agents, has issued a statement following some criticism of the educational work of the organization in encouraging insurance courses in colleges and universities. It is stated that at the annual meeting of the National Association of Mutual Insurance Companies in Milwaukee the statement was made that Mr. Fisk's committee is really conducting a partisan campaign for stock companies and is using the schools for furthering propaganda. Mr. Fisk in connection with this report says:

"The National Association of Insurance Agents believes that an understanding of the fundamentals of insurance is essential to every business man. We believe that the colleges and universities conducting a school of commerce or department of economics are not offering a complete course if they do not include insurance in their curricula. It is now conceded to be a fact that the study of insurance is as essential to the well educated and up-to-date business man as is a familiarity with credit, banking, and other courses provided in the schools.

"Our plan is simply to present a thorough grounding in the fundamentals and principles of insurance, a knowledge of the fire insurance contract, of use and occupancy insurance, of coinsurance, of casualty insurance in its various branches, and the many other forms of insurance being sold today.

"We have particularly stressed in all our communications to our key men and to all others cooperating with us that we must never present anything that might smack of stock company propaganda or use any material that might be controversial. Our plan is simply and only to present a better understanding of insurance, its various forms and its importance in American business today.

#### Work With U. S. Chamber

"Our work with the insurance committees in the various local chambers of commerce is being done in cooperation with the insurance department of the Chamber of Commerce of United States. We have never had any criticism about the insurance committee work that might be pointed to as propaganda. In our plans for insurance courses in the universities and colleges, we are following exactly the same program, and we believe, are doing much good. We deeply regret that anyone should misunderstand or misinterpret our motives. We are undertaking an unselfish job for the good of the insurance business as a whole believing that all will derive some good from it, the public, our competitors and ourselves. We want it clearly understood that never in our contact with the colleges in the preparation of their insurance courses have we in any way or in any form presented stock company propaganda, nor in any way indicated any preference for any form of insurance.

"In addition, I will say that our work is progressing splendidly. We are in daily communication with heads of departments of economics and commerce in various colleges in almost every section of the country assisting them in preparing material for their insurance courses and in lining up speakers to talk to them on insurance subjects. We have met with a cordial and hearty response from the school authorities who have welcomed this opportunity to give their students a broader and better business education."

## E. U. A. MAKES NOV. 15 DEADLINE FOR AGENTS

### MUST DECIDE ON POSITION

**Most of Those Replying Will Clear Agencies, Drop Non-Affiliated Companies**

Representatives of Eastern Underwriters Association companies will have to decide not later than Nov. 15 as to whether they will continue representation of affiliated or non-affiliated companies. Many have already announced their position, and the association offices express themselves as being highly pleased with the result, asserting that the great percentage of local men have announced their purpose to clear their respective agencies.

#### Stay With Organization

When the association companies issued a circular letter on the subject early in the present month, reciting the rule of the organization as to the representation of non-affiliated institutions and giving agents the privilege of choosing as to which class of companies they cared to continue with, the great majority of responses attested a willingness to maintain clear offices.

Whether the same disposition would be shown after the attractive commission of the Firemen's proposition had been received was a question, but, according to common report, the same general tendency to hold on to the affiliated organization continues.

## BLUE GOOSE TO MEET IN SAN FRANCISCO OCT. 1-4

### GOLF FEATURES FIRST DAY

**California Ganders Start Planning Program Already—P. W. Terry of St. Louis Appointed Deputy**

The grand nest meeting of the Blue Goose in 1929 will be held in San Francisco, Oct. 1-4, according to an announcement by Most Loyal Grand Gander J. Charles Harris.

The golf tournament including the international match will be held the first day of the meeting. The business meeting will begin on Oct. 2 and continue through Oct. 3. The fourth day of the gathering will be devoted entirely to entertainment.

#### San Francisco Makes Big Plans

San Francisco ganders have been planning on the 1929 meeting for the past few months, even before they made the bid for it at the meeting this year. All California ganders have pledged their aid to the San Francisco pond in arranging for the entertainment of the visiting delegates and it is the hope of the west coast that the 1929 meeting will surpass anything that has ever been held before.

In the list of appointments to the grand nest official family announced last week, the name of Paul W. Terry, St. Louis, was inadvertently omitted. Mr. Terry has been appointed deputy most loyal grand gander for Arkansas and eastern Missouri.

## COONEY IS PROMOTED BY THE FIREMENS GROUP

### GOES TO PACIFIC COAST

**Fred W. Sullivan Is Advanced to Assistant Managership in the Western Department Office**

Effective Jan. 1, Assistant Manager John R. Cooney of the western department of the Firemen's of Newark and its associated companies, will be transferred to San Francisco to be first assistant manager of the Pacific coast department under the management of W. W. & E. G. Potter. Fred W. Sullivan, superintendent of agencies in the western department, will succeed Mr. Cooney at Chicago. The Pacific coast department has not had an assistant manager. The transfer of Mr. Cooney therefore creates this as a new position and offers him a promotion which he has merited by reason of his splendid work and faithful adherence to duty. Mr. Sullivan's successor as superintendent of agencies will be announced later.

Mr. Cooney has been in the service of the Firemen's group for 15 years. He started as a clerk in the loss department, went through different underwriting and other desks, becoming therefore efficient as an office underwriter. He has traveled in a number of western states as field man and was Illinois state agent at the time he was called to the western department as superintendent of agencies and later was made assistant manager.

Mr. Sullivan has had a broad insurance experience. He started his training in the western office of the American of Newark in Rockford. He traveled in some of the midwestern states. For some years he was in the general agency business in Detroit in the firm of Roe & Sullivan. He discontinued this connection when he joined the Firemen's group as Illinois state agent. He was called to the western department office about a year ago and made superintendent of agents. Mr. Sullivan has impressed all with the character of his service and ability.

## REPORT IS PREPARED ON FARM FIRE PROTECTION

A tentative report of the committee on farm fire protection, dealing with the subject of "Rural Fire Departments," has been prepared under the direction of C. R. Welborn of the Underwriters' Laboratories, chairman of the sub-committee of the National Fire Protection Association on rural fire protection.

The report is intended to serve as a guide to rural communities desiring to purchase efficient fire fighting apparatus and to outline certain essentials of department organization as relates to the operation and maintenance of the equipment.

Recognizing that local conditions vary with respect to the purchasing power of different communities, available water supplies and areas to be served, an attempt has been made in the report to outline the types of apparatus which appear to be most suitable for these varying conditions. Detailed information as to the type of equipment to purchase, its housing and maintenance is given in the report, as also valuable pointers on how best to organize a rural fire department.

It is recommended that rural communities contemplating the purchase of apparatus and the organization of a local department secure a copy of "The Rural Fire Department," published by the agricultural committee of the National Fire Waste Council, United States Chamber of Commerce, Washington, D. C., which contains detailed information relative to financing and organization problems.

## CONDENSED NEWS OF THE WEEK

Proposed plan for regulating commissions in Chicago is presented by the Chicago Board committee. **Page 3**

F. B. Luce, western manager of Providence-Washington and Anchor, is elected vice-president of companies. **Page 3**

John F. Stafford of the Sun explains to Tennessee local agents why new rules were promulgated regarding unprotected property. **Page 5**

Commissioner King answers the Firemen's complaint in South Carolina. **Page 8**

Many attend Wisconsin Insurance day. **Page 8**

Date has been set for the 1929 Blue Goose meeting in San Francisco. **Page 4**

Earl E. Fisk, chairman of the committee of public relations and education of the National Association of Insurance Agents, denies that his committee is carrying on propaganda work in colleges and schools for the sole benefit of stock companies. **Page 4**

The Massachusetts agents meet in Boston. **Page 5**

W. E. Harrington of Atlanta, former president of the National Association of Insurance Agents, addresses Tennessee association. **Page 8**

Committee of company executives in Hartford is studying question of municipal insurance, in an effort to put it on a scientific basis. **Page 5**

Insurance Commissioner Caldwell of Tennessee gives address before Tennessee Association of Insurance Agents. **Page 12**

Joy Lichtenstein asks views of Pacific Board members as to remedy for chaotic conditions on coast. **Page 8**

The Milwaukee Mechanics promotes field men. **Page 16**

The Commonwealth and Hanover Fire have increased their capital. **Page 17**

Automobile conference wants E. U. A. to take over jurisdiction of automobile lines. **Page 44**

Tennessee Association of Insurance Agents holds annual meeting. **Page 32-A**

Federal court upholds the temporary injunction obtained by fire companies in Kentucky against the auditor from interfering with a collection of 12 1/2 percent increase in premiums. **Page 3**

John R. Cooney, assistant manager in the western department of the Firemen's at Chicago, is transferred to the Pacific coast department to be first assistant manager. Fred W. Sullivan, superintendent of agencies in the western department, becomes assistant manager. **Page 4**

New fire and casualty group with strong financial backing launched on Pacific Coast. **Page 5**

The Travelers companies resign from National Bureau. **Page 47**

John A. Diemand, assistant United States manager of the Zurich, has joined the Southern Surety, becoming executive vice-president in charge of the east. **Page 48**

Nebraska bankers unite to resist further assessments for state guaranty fund. **Page 40**

Traders & General, new Texas casualty company, is licensed. **Page 48**

Massachusetts' legislative problems reviewed by John W. Downs. Bitter attack on state insurance. **Page 48**

General Manager Leslie answers Arthur W. Collins' letter criticizing council's compensation rate procedure. **Page 47**

Start investigation of fidelity and surety acquisition costs in Detroit. **Page 52**

American Automobile Association president comments on insurance. **Page 49**

The National Surety is now preparing to handle its European continental business. **Page 40**

National agency committee of the Surety Acquisition Cost Conference is gradually straightening out violations in various sections. **Page 47**

Sub-committees of the Casualty & Surety Acquisition Cost Conference have been appointed to formulate a uniform plan for allocation of field supervision cost. **Page 47**



## MASSACHUSETTS BACKS MILWAUKEE MEASURE

Cook Explains Action at Association's Annual Meeting in Boston

### ELECT BATES PRESIDENT

Complain That Boston Agents Raid Business in Outside Territory—Criticize E. U. A. Action

#### NEW OFFICERS ELECTED

**President**—H. Ward Bates, Worcester.  
**Vice-President**—Fred R. Smith, Haverhill.  
**Secretary-Treasurer**—Fred A. Norton, Salem.  
**Regional Vice-Presidents**—T. Edwin Andrews, Lawrence; William E. Bagg, Pittsfield; Joseph R. Bennett, Lowell; Norman A. Brainard, Springfield; Edwin J. Cole, Fall River; S. T. Emery, Boston; Harvey A. Gallup, North Adams; Willard C. Hill, Boston; Henry F. Howe, Gardner; John A. Johnson, Gloucester; Roscoe K. Noble, Northampton; William P. McPherson, Worcester; Warren S. Shaw, Brockton; Robert T. Slason, Lynn, and A. C. E. Stimson, Greenfield.

BOSTON, Oct. 31.—H. Ward Bates, president of the Worcester Board, and one of the most substantial and highly regarded agents of the state, was elected president of the Massachusetts Association of Insurance Agents at its annual meeting in Boston last week.

The membership passed a unanimous vote upholding the action of the executive committee in voting the Firemen's, Girard Fire & Marine, Northwestern National and National Union "intentionally and continuously in violation of principles of the National association." The vote was not passed without some debate and questioning, however. Inquiry was made as to why other companies were not included and when the ruling went into effect.

#### Cook Explains Action

James A. Cook, regional vice-president, of Providence, R. I., and others explained that the action against the specific companies had been taken only after long deliberation and unsuccessful persuasion. No further action of the sort was to be taken by the National association until the individual agency associations demonstrated they would uphold the national body in these particular cases. Already some 26 states had voted favorably on the resolutions. Whenever a state passes the resolutions and acts accordingly, that state is then eligible to present complaints against an company for similar cause and the same will be taken up, investigated and acted upon by the national body. No complaint will be received from any body which does not uphold the first two resolutions. It is not expected that the agents will clear their agencies at once but they will have until Sept. 1, 1929, to do so, in order to maintain their membership in the association. It was also explained that the Milwaukee declaration was not retroactive and did not apply to any violations previous to the date of that resolution.

#### Complain of Boston Agents

B. A. Oppenheimer of Springfield led a protracted discussion upon the raiding of business by Boston agents in outside territory. He complained that much business which belonged to Springfield agents was written by Boston agents and made the statement that not 10 percent of the business was signed by Springfield agents. He believed the companies should stand by the ethics of the business and insist that business be writ-

## EXECUTIVES STUDYING MUNICIPAL INSURANCE

### SCIENTIFIC BASIS IS SOUGHT

Committee of Hartford Company Officials Working Out Plan Which May Be Used in Other Cities

HARTFORD, Oct. 31.—A special committee on municipal insurance, of which George C. Long, Jr., vice-president of the Phoenix, is chairman, is endeavoring to work out a scientific plan for the handling of municipal insurance which is expected to establish a precedent for the use of other municipalities. Investigation is to be made along three lines, with these experts working on the various branches: Fire insurance, Fred C. Moore, assistant secretary Hartford Fire; C. C. Hewitt, secretary National Fire; and Col. F. C. Cothran, assistant secretary Phoenix. Liability and compensation, C. B. Morcom, vice president Aetna Casualty, and R. J. Sullivan, vice-president Travelers. Steam boiler and electrical machinery, John J. Graham, vice-president Hartford Steam Boiler, and J. H. Coburn, secretary Travelers Indemnity.

#### Instructions to Experts

The committee adopted the following instructions to its experts:

"It is the purpose and desire of this committee throughout the course of its investigation to keep an eye single to the needs and best interests of the city itself, and we are calling upon you as advisers not to see how much or how many kinds of insurance can be purchased but rather what forms of insurance are actually required for adequate protection and how that required insurance can be most efficiently and economically maintained. It is our hope that, incident to the inquiry, there may be developed for present and future guidance, information of value in materially reducing the hazards against which the city finds it necessary to insure.

"It is fair to assume that a comprehensive study of the subject may evolve a general plan which will not involve any change of moment in the present methods of purchase but will insure a degree of uniformity, exact protection and economy not otherwise obtainable.

#### Sectional Reports Planned

Sectional reports are to be made on the following points:

1. Risks of property or person that are now or should be insured against by the city.
2. The present condition of such risks and how the hazard of same may be minimized.
3. The present cost of insurance and how such cost may properly be reduced.
4. The present form of coverage and how it may be improved upon.

ten by agents in the territory where risks were located. He felt the local boards should take concurrent action in the matter. On the other hand, he said, it is impossible for an outside agent to go into Boston territory and write a single risk.

#### Appoint Committee

On motion of Edwin J. Cole it was voted that a committee consisting of Warren S. Shaw, Edwin J. Cole and Frank E. Watson, of Haverhill, be a committee to take the matter up with the New England Advisory Board with a view to approaching local boards and the companies on the matter.

An amendment to the constitution of the Massachusetts association was passed providing a new grading to membership dues by inserting a \$35 fee between the \$25 and \$50 classifications.

Edwin J. Cole discussed the matter of non-policy writing agents and a general discussion followed. Much of the trouble

## NEW INSURANCE GROUP IS FORMED ON COAST

### WRITE FIRE AND CASUALTY

Holding Company With \$10,000,000 Capital and New Fire Carrier Launched

SAN FRANCISCO, Oct. 31.—Another group in the making in San Francisco is revealed in the announcement of Claude W. Fellows, president of the Associated Indemnity. The new organization will be headed and owned by a holding corporation to be known as the Associated Insurance Fund, which is to have a capital of \$10,000,000 made up of 1,000,000 shares at \$10. Articles of incorporation of the Associated Fire & Marine have been filed, making the second company in the new group. Other companies are in contemplation and it is proposed to purchase control or ownership of existing companies. With the new arrangements the stockholders of the Associated Indemnity are given exchange and purchase rights in the holding company, and more than 90 percent have already taken advantage of this right.

#### Much of Stock Subscribed

Mr. Fellows will be president of the new organization, including the Associated Insurance Fund. He has enlisted a formidable number of business, insurance and financial men in the plans and it is reported that a number of brokers and agents have subscribed to stock in the holding company, which will own and receive the entire earnings of all of the units, including a general agency company which is also in process of formation. The latter organization is said to be negotiating now for the representation of several eastern fire companies.

Under the new plans the Associated Indemnity, which was organized by Mr. Fellows for the purpose of writing participating compensation insurance, will enlarge its underwriting activities and will write non-participating compensation, but will continue its participating business through an underwriting agency to be known as the Employers Participating Underwriters.

#### Men Behind New Project

Among those who are interested with Mr. Fellows in the elaborate project are George T. Cameron, publisher of the San Francisco "Chronicle" and executive in several other enterprises; James Cravens of Houston, Tex., member of the firm of Cravens, Dargan & Co., general agents, and president American Provident Life; Bernard W. Ford capitalist and director Western States Life; Carl A. Henry, prominent fire general agent of San Francisco, and several others well known in business and financial circles. The investment banking firm of Bond, Goodwin & Tucker has underwritten the capital to about \$3,000,000. The initial financing gives the Associated Indemnity a capital, surplus and development reserve of \$1,500,000 and an equal amount of capital and surplus for the new Associated Fire & Marine. It is also planned to enter the indemnity company in several other states to write all casualty lines, fidelity and surety.

at the present time, the speaker contended, was due to the fact that the Eastern Underwriters Association had modified article nine of their original constitution, thereby permitting the Travelers and other companies special concessions. It was contended by several of the speakers that the modification of the clause made void all agreements agents had signed with the E. U. A.

It was voted that the New England Advisory Board confer with the "com-

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## EXPLANATION GIVEN TENNESSEE AGENTS

Committee From Companies Explains Necessity of Reducing the Loss Ratio

### SAYS ACTION WAS NEEDED

John F. Stafford of the Sun Was the Official Spokesman at the State Meeting

As the meeting of the Tennessee Association of Insurance Agents in Chattanooga there were a number of representatives present who were stirred up over the recent rules that were promulgated by the Tennessee Inspection Bureau, dealing largely with unprotected property. One rule requires the use of the three-fourth value clause on all un-



JOHN F. STAFFORD, Chicago Western Manager Sun

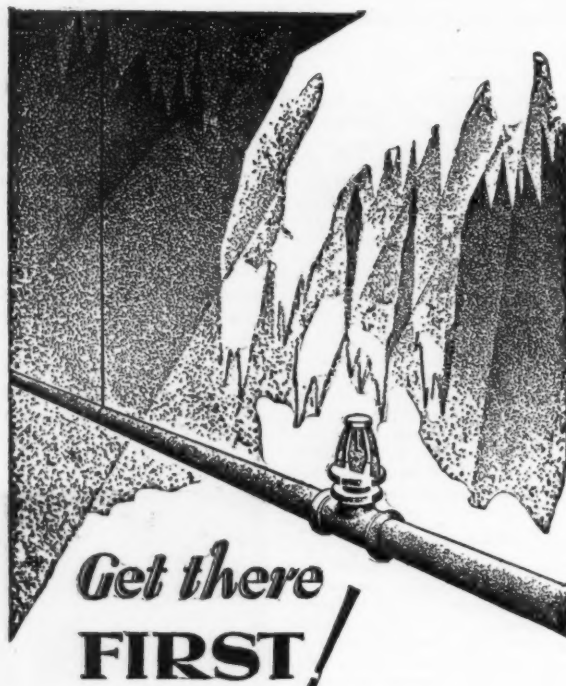
protected property. Another rule requires that when the policy is issued the assured will stipulate how much other insurance is carried and not leave the amount open. This is applied not only to unprotected property but to protected property where the coinsurance clause is not used. Then all dwelling forms carry the flue and foundation warranty.

#### Agents Committee Appointed

A committee of the Tennessee Association of Insurance Agents was appointed to deal with the company representatives present. The company committee consisted of John F. Stafford, western manager of the Sun; Clem E. Wheeler, assistant western general agent of the Hartford Fire, and J. F. Donica, assistant western manager of the American Fore companies. Russell D. Hobbs of Chicago, assistant manager of the Western Actuarial Bureau and Frank B. Quackenboss, manager of the Tennessee Inspection Bureau sat in at the deliberations. The Tennessee Association of Insurance Agents' committee consisted of J. M. Kemp, Chattanooga, chairman; Baile C. Gross, Nashville, secretary; Herbert Oppenheim, Chattanooga; Carl B. Corley, Nashville; S. M. Williamson and C. Jacob Haase, Memphis; Douglas Lothrop and Henry G. McMillan, Knoxville; Walter Bell, Bells; A. B. Thoma of Tullahoma; L. B. Ross, Gallatin; H. P. Webb, Milan; W. M. Harris, Johnson City.

Mr. Stafford read a prepared statement at the opening of the executive session Wednesday afternoon. He stated





**Get there  
FIRST!**

**E**VERY hour the icy hand of winter draws nearer. Some stark, cold night, not so far distant, it will close in—surely—relentlessly—.

A certain number of automatic sprinkler systems will freeze, crack, and prematurely release the flood of water meant for safety.

Agents of this Company are making a drive now to cover all sprinklered risks in their territories by Sprinkler Leakage Insurance and are forestalling accidents, wherever possible, by preaching closed windows and other necessary precautions.

When the icy clutch of winter descends, if it should succeed in damaging sprinkler equipments, no clients of our agents should suffer a loss, as our agent will have been there first with the never failing protection of a Sprinkler Leakage Policy—IN

**STAR**  
Insurance Co.  
**OF AMERICA**

Executive Offices: 1 Pershing Square  
Park Ave. at 42nd St., New York, N. Y.

Pacific Coast Dept., San Francisco

THE COMPANY WITH THE L. & L. & G. SERVICE

that there had been a demand for a change in underwriting rules, practices and forms in Tennessee because the business has been notoriously unprofitable in the state for a number of years. He said that when the Tennessee figures were assembled there was a too high loss ratio on the combined results. The highest loss ratio came from dwellings, both inside and outside protection. The outside dwelling class has been particularly unprofitable. Rates have been increased from time to time but the high loss ratio continues. He said that it became imperative that some action be taken. A careful study and analysis were made of the conditions and the suggestions that were offered from different people.

#### Over Insurance Encouraged

Mr. Stafford said it was the general opinion that unlimited permission for other insurance contained in the uniform forms encouraged over-insurance and discouraged proper care and safeguard of property. It was the belief that this unlimited permission for other insurance contributed to the increasing number of fires. He said that to adopt a limit applying to unprotected property would mean a radical change but it is now being used in Southwestern Underwriters' Association territory successfully. Something had to be done, he said, if the companies were to continue to accept liability in outside territory.

#### Limited Coverage Form

A form for limiting insurance was prepared and approved. The companies felt it was a step forward. It has been a success in other southern states. He said that when the coinsurance clause was attached, other insurance was permitted without limit. Therefore, the new rule would have little effect on mercantile or manufacturing property under protection.

#### Complicated by the Law

Mr. Stafford declared that the situation was complicated by the 1927 legislature passing House Bill 717 repealing Chapter 447 of the Act of 1909 providing for partial valued policy and the optional use of the coinsurance and three-fourths value clauses. Under the 447 act an assured had the right to stipulate in his policy the value of that property. A policy was void if the amount of insurance was more than the value. The new law provided that an agent within 90 days after writing the policy shall inspect the property. Penalty is provided if the policy issued is in excess of the value of the property. He said that it is impossible to comply with this law. There is a contradiction in its provisions and it is unreasonable. He said that distinguished counsel had stated that no court would sustain its validity.

#### Needed Restrictive Clause

It was recommended that no insurable value be placed on buildings. This law, Mr. Stafford said, had no effect on the loss ratio. Under the old valued policy law, the loss ratio was increased. The new one was unworkable. The operation of the new law left the amount of insurance open and subject to the desires of property owners and unrestricted competition between agents. He said that the only way open was to have a restricted permit.

#### Vacancy Permit Action

Mr. Stafford said that the elimination of the unlimited provision for vacancy was originally adapted to protect those who were not in a position to supervise all of the property and could not without great trouble attach a permit to each policy as required. Therefore, it was decided to attach the vacancy permit as of old with an extra charge or reduce the amount of insurance without any extra charge.

#### Three-Fourths Value Clause

In addition to stipulating the amount of insurance carried it was necessary, said Mr. Stafford, to make the property

owner more careful. Hence the three-fourths value clause is attached to unprotected policy. He said that to carry full insurance to value on classes that produce heavy losses is certainly bad underwriting. The companies decided to adopt this course rather than quit writing unprotected property entirely. The experience in other states has demonstrated the value of this course. He said that certainly the companies should endeavor to improve the situation in unprofitable classes and bring them to a better basis. All that has been done, he said, is to establish safeguards in the attempt to reduce the loss ratio. He said that higher rates on these classes will not reduce the losses. When insurance is difficult to get the conditions improve.

#### Reports Held in Abeyance

The company committee expected the local agents' committee to submit a report to the Tennessee association that would be agreed upon by the joint committee. The agency committee held a long session and decided to present the report as given hereafter. This report will go to the various companies. The company committee has reported to the subscribers actuarial committee giving its impressions of the controversy. In the meantime there have been hundreds of policies issued without the new clauses. The Tennessee Audit Bureau, of course, has made a criticism of each one of these policies and the daily reports are held in abeyance until some action is taken. The time for making corrections was extended to Oct. 1. Some of the agents have refused to put on the clauses and this, of course, has complicated the situation.

The special committee of the Tennessee Association of Insurance Agents made the following report at the last executive session:

We recommend that the companies be requested to amend the proposed changes by the adoption of the following provision with respect to the use of the three-quarters value clause; the limited concurrent insurance clause, the vacancy clause, as follows:

1. That the three-quarters value clause be made to apply only on contents of dwellings and mercantile stocks on 9th and 10th classes.

2. That the limited other concurrent insurance permitted clause apply only on buildings of all classes in territories one to ten, and not to apply on personal property, such as household goods, furniture and fixtures, machinery and stocks of merchandise wherever located.

3. That the vacancy clause be changed to read as to eliminate that part of line nine reading as follows: "nor exceeding three-fourths of the amount of loss or damage."

The substance of this report has been communicated to the company representatives and with the exception of the suggested modifications of the use of the three-quarters clause the recommendations have met with a sympathetic reception from them.

Your committee, however, while appreciating the courteous consideration given them by the company representatives, are regretful that these gentlemen could not agree with us as to the wisdom and equity of the suggested amendments, and respectfully recommend to this body the adoption of the report.

#### Reviews Question Where to Sue

The United States Supreme Court on Oct. 22 consented to review a decision of the lower court in the case of Morris & Co. et al. vs. Skandinavia, for recovery under a policy of insurance issued in Buenos Aires, Argentina, covering a shipment valued at \$50,000 from River Plate to Havana, which was lost May 23, 1919.

Suit was originally brought in Mississippi by the insured who was given an adverse decision because, it was held by the court, the company did no business in Mississippi and therefore was not suable in that state. In appealing to the Supreme Court Morris & Co. claimed that the company is subject to suit in Mississippi under a foreign insurance policy in a transitory action thereon, because the defendant's contract of qualification in Mississippi confers jurisdiction of all causes of action. The company is licensed in Mississippi.

# The White Fireman

leads movement for safer building laws



IN a city's fire-prevention program the building code is a cornerstone. In his efforts to effect the adoption of safer building laws, the White Fireman has given his whole-hearted co-operation to city officials, members of council and municipal engineers.

His work has borne fruit. Thirty cities are using the White Fireman's model building code in whole or in major part. The codes of one hundred and twenty-eight other cities have been reviewed by the White Fireman, and in most instances his recommendations for revisions have been adopted. Actual building conditions have been studied in four hundred cities and reports have been prepared to guide the drafting of new laws.

Codes which compel proper utilization of modern, fire-resisting construction principles save lives and property, if properly enforced. And, frequently, the adoption of such codes gives property owners the benefit of lower insurance rates.

THE White Fireman symbolizes the Loss-Prevention Service supported by insurance companies. This service includes: Consultation on proposed structures, that they may be as fire-safe as possible. Inspection of property, with recommendations for the reduction of fire-hazards. Maintenance of the Underwriters' Laboratories for the testing of building materials, the practical trial of fire-extinguishers and other protective equipment, the examination of electrical apparatus and materials. Various other kinds of technical assistance for the furtherance of property conservation. The North America Agent will tell you how to secure this valuable service.

Insurance Company of  
North America  
PHILADELPHIA

and  
Indemnity Ins. Co. of  
North America

write practically every form of insurance except life  
The Oldest American Fire and Marine Insurance Company—Founded 1792

Property Owners may Secure Loss-prevention Service through Responsible Insurance Agents

The above advertisement appears in full-page size, two colors, in The Saturday Evening Post, November 10th, and in the November issue of Atlantic Monthly, Golden Book, Harper's Magazine, Review of Reviews, Scribner's Magazine and World's Work.

The building codes of today have a most direct bearing upon the fire losses of tomorrow. Recognizing this fact, insurance companies, through the various loss-prevention engineering organizations which they maintain, have worked diligently for many years to have FIRE PREVENTION written upon the pages of the building codes of every city, town and village in the United States. It is reasonable to assume that already this work is resulting in the saving of millions of dollars every year for property owners.

Until recently, the general public was unaware of this and other important, constructive work which insurance companies have undertaken. But the story now is being told in the advertisements of the Insurance Company of North America which appear regularly in magazines reaching millions of property owners. The public is beginning to know the White Fireman, which is used in this advertising to symbolize the loss-prevention engineering organizations supported by insurance companies.

While this advertising is informative in character, it has a definite selling objective—the upbuilding of public confidence and goodwill toward the insurance companies and their agents.



## HUGE ATTENDANCE AT WISCONSIN MEETING

Insurance Day Program Gives Wide Conception of the Business

### FREEDY TELLS OF WORK

Travelers' Supervisor Emphasizes Need of Right Mental Attitude—Outlines Approaching Legislative Problems

MILWAUKEE, Oct. 31.—Nearly 600 members of the insurance fraternity of Wisconsin and prominent underwriters of the middle west, attended Wisconsin's annual insurance day here on Oct. 24.

The day marked an event in insurance history of the state for it proved to be the biggest meeting ever held in the state at which all branches of the business were represented.

The program was directed at all interests. Every department of insurance was represented on it, yet the addresses were such that they were interesting to all branches, since they gave everyone a wider conception of the entire field of insurance and brought before them the fact that each branch has its own problems and that all are working for a common goal—to give the American public the best possible insurance coverage in their every daily need.

Since this has not been a legislative year in Wisconsin, there was not much talk of the hazards of legislation as there was a year ago, but speakers pointed out that with the advent of the 1929 legislature in the state, Wisconsin will again be confronted with insurance bills affecting every phase and everyone in the business and that it is the duty of each one to become interested in the forthcoming proceedings of the legislature.

#### Responds to Introduction

Insurance Commissioner Milton A. Freedy, while not on the program responded to the introduction at the morning session by saying that the next session will be productive of new insurance bills. He said that the department of insurance would remain, naturally, in a neutral position on all of them. Commissioner Freedy also told how his department is endeavoring to eliminate the weak agents from the business through a card system by which records of changes of companies with agents are kept, and when a change is made, the companies are requested to tell the department the reason for it.

Two interesting discussions on insurance salesmanship were given during the day. The first was by John Eglof, supervisor of the agency field force for the Travelers and the other, in the afternoon, by James L. Rainey, agency supervisor for the Missouri State Life.

#### Emphasizes Mental Attitude

Mr. Eglof advised insurance underwriters to get the right mental attitude in selling insurance. He said that insurance agents can only meet their responsibility to the public by a thorough knowledge of what they are selling and he declared that the agent must know himself, his product, his company, and must apply such knowledge.

Edward C. Lunt, vice-president of the Great American Indemnity, declared that an agent loses a bet when he neglects the surety business with his clientele and that everyone in the business is in an imperative position to conduct the business of insurance so that it will keep itself a great economic factor.

The program was closed by George A. Jacobs, secretary of the Citizens' Mutual Fire, Janesville, Wis., who discussed legislators and legislation. Mr. Jacobs

## KING ANSWERS FIREMEN'S IN LICENSE WRANGLE

DATE OF HEARING NOT SET

Walter H. Bennett in Columbia Conference With Commissioner—Question of State's Rights

COLUMBIA, S. C., Oct. 31.—The question of state's rights—the right of a state to manage and administer its own internal insurance affairs—promises to be the main issue in the hearing to be had at a date not yet fixed when the matter of making permanent an injunction granted by Federal Judge Ernest F. Cochran against Commissioner Sam B. King is argued.

In the answer to the complaint of the Firemen's, Commissioner King sets forth that "in revoking the Firemen's license, he (Mr. King) was acting in the due exercise of his discretionary powers under the authority of the laws of South Carolina, in the decision of a matter which the law gave him the power and imposed upon him the duty to decide."

#### Answer in Laws

The answer further sets forth that the insurance laws of South Carolina "prescribe the conditions under which foreign insurance companies can do business in the state. The plaintiff, as a foreign insurance company, did not have the right to enter the state, or transact the business of insurance therein, except in conformity with the state laws." The answer further sets forth that the insurance commissioner, in revoking the plaintiff's license, was acting in the exercise of the discretion "vested in him by law."

Walter H. Bennett of New York, secretary and general counsel of the National Association of Insurance Agents is in Columbia and is holding conferences with Commissioner King and Commissioner King's counsel with regard to the case. Mr. Bennett will remain in Columbia several days and give the case careful study.

pointed out that some overestimate and others underestimate legislation on insurance, whereas it is all of equal importance to the company and the agent.

#### Give Them Advice

He said agents should be friendly with their representatives in the legislature so that they can give them advice on insurance bills which are to be presented. The agent should talk over pending insurance bills with their representatives and see that they have an intelligent knowledge of the bills. Legislators do not intend to harm the insurance business, Mr. Jacobs said, but they pass undesirable bills because they do not understand the business of insurance.

The banquet in the evening was devoted to entertainment. James V. Barry, vice-president of the Metropolitan Life, was toastmaster. The main speaker was Charles Milton Newcomb, Cleveland, humorist, who appeared on the first Wisconsin Insurance Day banquet program. Dance and song numbers were presented during the dinner.

John A. Keelan, president of the Insurance Federation of Wisconsin and general chairman of the Insurance Day, presided throughout the sessions during the day.

#### SIDELIGHTS ON MEETING

Frank M. Chandler, "father of Insurance Day," was one of the notables of the insurance world who attended Wisconsin's third insurance day. He renewed many of his acquaintances among his Wisconsin friends. Since he inaugurated insurance day in Indiana, Mr. Chandler has continued his interest in the event in the other states and his ad-

(CONTINUED ON PAGE 50)

## ASKS VIEWS ON HOW TO SOLVE COAST TROUBLES

LICHTENSTEIN SENDS LETTER

Hartford Manager Voices Plea for Efforts Toward Greater Harmony in Pacific Board

SAN FRANCISCO, Oct. 31.—Considerable comment has been heard in fire insurance circles in San Francisco over a letter which has been sent by Joy Lichtenstein, Pacific Coast manager of the Hartford, to the voting representatives of the members of the Pacific Board, in which he requests opinions on the present chaotic condition. It is understood that a number of the companies have already replied to Mr. Lichtenstein. His letter, which also offers some of his own thoughts on the situation, reads as follows:

"The purpose of this letter is to secure information and opinions rather than to convey them. I have thought for some time that while practically all the talk at our meetings is done by a few members, the thinking is by no means wholly confined to those few. Therefore, I would like to know, if possible, what are the opinions of the rank and file of members, like myself, as regards the present situation in the board.

"The very existence of the board, itself, we are told is at stake. In fact, it is plainly threatened in some quarters that it will shortly be necessary to disband the board and reorganize it along different lines (not explained) unless certain companies get into line and 'clean house.' This may be merely the cry of 'wolf' to frighten the membership, or there may be some good intention of which I, for one, am ignorant.

"Do we bear in mind sufficiently that our board is a semi-public institution, the widespread activities of which bring it into touch with many members of the public as well as with public officials, and that it is highly thought of by them as a useful organization? I fear that to some of our members the board means only the policing of the insurance business. True, that also is important. I have spoken of this other phase of the board in view of the fact that its continuance or discontinuance seems to some to be related entirely to matters having to do with the policing feature.

"Notwithstanding that the membership is by companies, the board as it is constituted today is composed of at least four diverse elements: Departmental managers or general agents (company offices), general agents of long standing, the newer general agents in San Francisco and lastly the so-called northwestern or 'local' general agents. Nor is any one of these groups homogeneous. This complexity, which is a development of recent years, but mainly a growth of the last few years, has complicated the situation very much and brought about many, if not all, of our present problems.

"The foregoing is not offered as a complete or a searching analysis, but merely as a starting point for our thoughts. The large number of new companies which have entered the field during the last few years (many more are coming), non-board competition, the so-called 'hunger for business' (an effect and not a cause)—all these and many more factors have to be taken into consideration.

"Is not what is happening in our board merely in a small way what is happening to the social body as a whole and to its political divisions? The increasing complexity of present-day life produces its problems just as it seems to me the increasing complexity of our board is producing our problems.

"Is not our real problem to attempt to reconcile and to harmonize the diverse elements, of which our board is now composed, rather than to do any of them violence?"

## HARRINGTON TELLS ABOUT AGENCY AIMS

Former President of the National Association of Insurance Agents Speaks

### TAKES A LOOK FORWARD

Interprets the Spirit of the Organization and Presents Its Program for the Future

W. E. Harrington of Atlanta, who has just retired as president of the National Association of Insurance Agents, spoke before the Tennessee association at its Chattanooga meeting. He said that in order to reach Chattanooga he worked at his office until after midnight the evening before, returned at 5 o'clock in the morning to complete his work and then



W. EUGENE HARRINGTON, Atlanta Past President National Association

got a train for Chattanooga. Mr. Harrington said that while he was National president he allowed his work to accumulate and is now trying to catch up.

#### Constructive Convention

In speaking of the recent West Baden convention he said it was the most constructive meeting in the history of the National association. The officers, he said, presented a far-seeing, uplifting program. In all that has been done by the National body the necessity of the agent has been emphasized. He said the agent must keep in step with the rapid changes in economic conditions. Mr. Harrington said that the address of President George A. Caldwell of Tennessee at the National convention was one of the best features of the meeting. Mr. Harrington said that the National association was gaining in numerical strength. There was an increase of 17 percent or more in membership last year. He feels that the agents are awakened as to the necessity of having a great and strong organization to uphold their cause. It is a hopeful and promising sign to see this membership strength.

#### Building Inside and Out

Mr. Harrington said that the officers realized that it is necessary to build both from within and without. They have mapped out a five-year development program looking ahead toward a constructive piece of work. One of the big features has been the devising of a plan whereby agents can arrive at the operating costs of their offices. He said



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T. L. FARQUHAR  
PRESIDENT

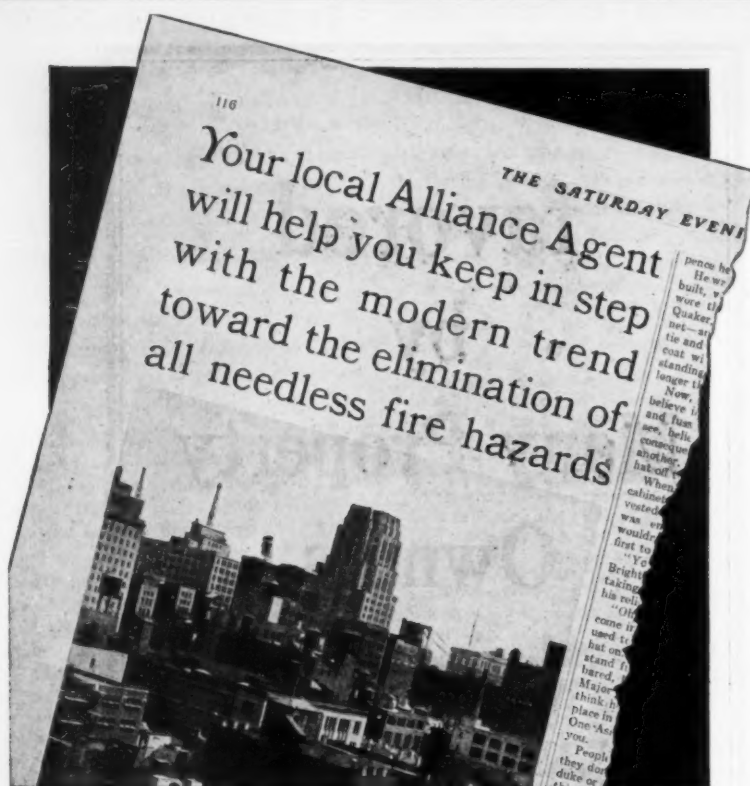
*Western Department*

ELWIN W. LAW  
*Gen'l Mgr.*

C H I C A G O

**NEWARK**  
**FIRE INSURANCE CO.**

**NEWARK - NEW JERSEY**



# The Alliance Agent is head-lined in the Alliance National Advertising



**THE ALLIANCE  
INSURANCE COMPANY**

of PHILADELPHIA

Head Office  
1600 Arch Street, Phila., Pa.

209 W. Jackson Blvd., Chicago, Ill.  
231 Sansome Street, San Francisco, Cal.  
8th fl. Hurt Bldg., Atlanta, Ga.

that one company executive declared that plenty of agents are insolvent and do not know it. A questionnaire was sent out from the national offices so as to get facts as to operating costs. He said that not one in 25 could give the elementary facts as to agency costs. A simple accounting system was worked out. Forms were devised for use of local agents. By applying these to his own operation an agent can tell where he is headed.

#### Agency Cost Increasing

Mr. Harrington said there are many changes that are found in the manner of conducting the agency business. Undoubtedly the cost is mounting. He said that in his agency which produces \$500,000 a year in premiums, the cost of conducting the business was about 5 percent seven years ago and yet it is 8 percent today. He called attention to the fact that the chain stores and like risks have been lost to the local agents. The resident agents are deprived of this business. These stores have supplanted the independent merchants who patronized local agents. He said there is an urgent necessity for agents to be alive, more intelligent and better trained. The agents must be in a position to justify their position. The agent will be a permanent factor in insurance so long as he serves efficiently. He said the agency hosts have faced the conditions frankly and courageously.

#### Has 1,000 Key Men

Mr. Harrington called attention to the fact that the public relations committee of the National association now has 1,000 key men scattered throughout the country who are well informed as to the benefits of stock insurance and are able to talk about it. Through this spread of the gospel it has led to upbuilding confidence. He said that through cooperative advertising the National association is serving the agents. Local agency advertisements are gotten up in proper form and can be had at National headquarters. He said that local boards can do much for their communities. They bring about a better understanding. He said that the companies should cooperate in urging that these local organizations be established. Boards should have reasonable rules and should not attempt drastic things. Some local organizations, he said, endeavor to do too much regulating.

#### Principles Are Basic

Mr. Harrington said that the National Association of Insurance Agents has set up principles that it feels are basic. It desires to know therefore what companies are cooperating by recognizing these principles. In connection with bank agents, he said that the companies that signed the conference agreement have been most fair in their effort to comply with the pledge. Mr. Harrington said that when a company made a bank agency appointment and it was distasteful to a local board then the local board should endeavor to have the company withdraw the appointment. It should take up the matter with the company first. If the company will not respond then an appeal should be made to the state association and it should exhaust its resources. If the company still maintains its position then the National association must take it up.

#### Companies Act Quickly

If a community has no local board it is very greatly handicapped in dealing with these subjects. He said that there had been four complaints as to bank agencies made to the National association. Three were removed in 24 hours after the National association took hold. In the fourth case a conference is pending. He said the companies have cooperated in a wonderful way.

In speaking of the Milwaukee declaration, the National executive committee concluded that either it should be withdrawn or enforced. The National association, he held, should not make declarations and not uphold them. At the West Baden convention the National association decided to uphold the Milwaukee declaration and ordered the associa-

tion to enforce it. He said therefore the members have determined that membership in the National association shall be held only by those agents who can qualify and those who represent only qualified companies. This does not mean that if one is not qualified for membership in his state or national association he is ineligible for membership in his local board.

#### New England in Line

New England, he stated, was a trouble spot and opposed a membership qualification so far as companies were concerned, yet recently it had decided in favor of the National association declaration. The National organization, Mr. Harrington said, has been a stabilizing influence in insurance. He declared that agents must meet mutual competition intelligently. There is a great need of coordination of effort and purpose between companies and agents. Agents must recognize their responsibility. Companies should get the viewpoint of the sales end of their enterprise. They must recognize the sales problems in the business. The aim must be to arrive at a common viewpoint.

#### COZAD APPOINTED ON THE GOVERNOR'S STAFF

H. W. Cozad of Rock Island, Ill., president of the Bituminous Casualty, has been appointed by Governor Flem D. Sampson of Kentucky as aide-de-camp on the governor's staff, with the rank of colonel. Mr. Cozad is an insurance executive in his early 40's. He has specialized on workmen's compensation insurance in coal mines. Owing to the failure of a number of mutuals and reciprocals these organizations became unpopular in Kentucky. The large stock companies ceased writing compensation on coal mines as a general rule. To meet the demands of the industry for stock company protection, Mr. Cozad organized the Bituminous Casualty with \$200,000 capital and a like amount of surplus.

Governor Sampson, whose home is in Barbourville, Ky., in the eastern part of the state, is always interested in anything that affects the coal industry. Evidently knowing Mr. Cozad and feeling he had rendered valuable service to the coal industry in Kentucky, he paid him this high compliment.

#### Veteran Field Man Dies

Frederick I. Mosher died Saturday at his home in Baltimore. Mr. Mosher had recently been placed on the reserve staff of the Home of New York, which he had served since 1902, most of the time as special agent and state agent. In 1907 he was appointed West Virginia state agent for all of the companies in the Home fleet. In 1924 he was made a director of the Homestead and was given local underwriting supervision of that company.

During his time in the field Mr. Mosher was active in the supervising organizations, the West Virginia association, which he served as president for a term, and the Underwriters Association of the Middle Department for Maryland, which he served as vice-president and president. Mr. Mosher was an officer in the Spanish-American war.

#### Manager McCrea Dethroned

William A. McCrea, secretary, treasurer and general manager of the insurance companies owned and operated by the Keystone Automobile Club of Philadelphia, has resigned. He was formerly manager of the Keystone Automobile Club Indemnity Exchange. When the two participating stock companies were organized in May to succeed the reciprocal he became the general manager. He had previously been with the Ocean Accident and was manager of the casualty department of Henry W. Brown & Co. of Philadelphia. There was a disagreement between Mr. McCrea and the executive committee of the insurance companies.



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**Specialists in the Securities of the  
FIRE INSURANCE COMPANIES**  
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We recommend for investment and price enhancement the stocks of this progressive group of companies at present market levels:

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of NEW YORK**  
Capital - \$2,000,000

**Brooklyn Fire Insurance Company**  
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**Bronx Fire Insurance Company  
of the CITY OF NEW YORK**  
Capital - \$1,000,000

**Knickerbocker Insurance Company  
of NEW YORK**  
Capital - \$1,000,000

**Merchants & Manufacturers Fire Insurance Company  
of NEWARK (1849)**  
Capital - \$1,000,000

**New York Fire Insurance Company (1832)**  
Capital - \$1,000,000

**Sylvania Insurance Company,  
PHILADELPHIA, PA.**  
Capital - \$1,500,000

**Republic Fire Insurance Company,  
PITTSBURGH, PA. (1871)**  
Capital - \$600,000

**BOUGHT—SOLD—QUOTED**

*Information and Circulars Upon Request*

**AMERICAN INSURANSTOCKS CORPORATION**  
W. WALLACE LYON, President  
51 East 42d Street New York

**CALDWELL SPEAKS TO  
TENNESSEE AGENTS**

**COMMENTS ON CONDITIONS**

**Insurance Commissioner Wages Re-  
lentless Warfare on Unauthorized  
Underwriting Concerns**

A. S. Caldwell, insurance commissioner of Tennessee, spoke before the Tennessee Association of Insurance Agents at Chattanooga, declaring that the supervision and regulation of the insurance business is not an easy task. Mr. Caldwell said he believes that integrity of management is essential to real success in insurance. Insurance men are offering for sale something that will bring freedom from worry in time of trouble. He said that the state commissioners are endeavoring to bring about as much uniformity in practice and law as possible. They desire to see the public properly protected and the companies regulated in a reasonable way. The commissioner must know the insurance law and he should aim to administer it wisely.

**Unauthorized Insurance**

Mr. Caldwell believes that agents should inspect the property that they write. This will demand some time but he feels that it is essential. He called attention to the fact that during his term of office as president of the National Convention of Insurance Commissioners he had endeavored to bring about comity of action among the states dealing with unauthorized companies which had become a menace. He said that the commissioners are now endeavoring to do something. He advocates the introduction and passage of the New Jersey license law in every state. This law gives the state supervision over all insurance companies, agents and firms, whether they write business in that particular state or not. At the present time an agent may be domiciled in the state and do business by mail in other states and write nothing in the company in the state of his residence. It is difficult to deal with concerns of this character but the New Jersey act gives the department control over all insurance activities. He said that if any Tennessee company is doing business illegally in another state he would cancel its license.

**Comment on License Law**

Mr. Caldwell said that absolute uniformity is impossible owing to varied local and state conditions. He said that he had endeavored to use discretion in licensing agents. When he found that an agent was guilty he did not hesitate to cancel his license although much pressure was brought to bear on him from all sides. In referring to the Tennessee agency qualification law he said it had brought about a much better condition than had been found in times past. He said that he had eliminated some 200 agents. There are even now too many in the state. It is difficult, however, to have a drastic qualification law. There are 8,000 agents licensed in Tennessee. He said that he finds some companies are trying agents out before securing a license and he has shut down on that practice.

**Opposed to Stringent Law**

Commissioner Caldwell doubts whether a very drastic license law will work. He called attention to the Pennsylvania condition which he said certainly was not satisfactory although that is the strictest licensing proposition he knows of. That state sends out an exhaustive questionnaire and has many regulations as to licenses. He said that agents cannot get everything they want. He doubts whether an examining board will be satisfactory.

In speaking of the high Tennessee loss ratio Commissioner Caldwell said

that it is due primarily to two causes, over-insurance and lack of proper inspection of property by agents when policies are issued.

Commissioner Caldwell criticized the companies for not taking the agents into their confidence and putting into effect a program that means many changes. He said the agents should be informed as to what is being done and why it is being done. The companies should not promulgate rules as they have in Tennessee coming as a thunder clap to the local agents out of a clear sky. The agents should be informed so that they can give intelligent defense to their customers. In respect to cancellation of agency licenses Mr. Caldwell said that it was amazing to find that when he cancelled the license of a crooked agent there were plenty of other companies that were willing to grab him up with avidity.

**DISCUSS WINDSTORM COVER**

**Florida Local Agents Take No Definite  
Action and Will Await Further  
Move by Companies**

Members of the Florida Local Underwriters Association, in special session at Orlando Saturday, discussed what they might do in the matter of windstorm insurance in anticipation of a company conference soon on the subject as related to Florida. There was no public announcement of the decision reached other than the impression that they were ready to give all help possible to the companies in working out the problems.

Earl Freeman, president of the state association, called the meeting and presided. Vice-president Quinlan Adams, a resident of Orlando, was the host. Insurance Commissioner W. V. Knott was present but, because of an accident to a member of his family, did not get there in time to have part in the deliberations. Other leading agents on hand included B. D. Cole, West Palm Beach; Orlo Hainlin, Miami; O. W. Shelton, Bradenton; Finley Cannon, Gainesville, and J. R. Wright, Lakeland.

There seemed to be a great deal of sentiment for keeping hands off, leaving the companies to make the best job possible of it. Vice-president Adams thought that no action should be taken until after the agents are consulted, and felt that if there are any drastic changes in rates and regulations, agents should know about them ahead of the public. President Freeman has felt that if there is any radical cutdown of the tornado coverage in the state, there will be a bad reaction on the lending companies, and money seeking investment will go to states where the storm coverage is available. He and others feel that there is also great danger of destructive legislation if it becomes difficult for the property owners to get this sort of coverage and the investment companies cut Florida off their lists.

**Prepare for Indiana Meeting**

The insurance committee of the Indianapolis Chamber of Commerce, of which Joseph W. Stickney is chairman, at its meeting this week, further perfected plans for the big public meeting that is planned to be held under the auspices of the chamber of commerce on Nov. 23, when Dr. S. S. Huebner will be the principal speaker. The indications now are that this meeting will be largely attended and that a good deal of interest is being aroused among large buyers of all branches of insurance. Plans relating to Indiana Insurance Day, which will be held in January, were also discussed.

**Miss Bigelow to Wed**

Miss Hortense Bigelow, daughter of F. R. Bigelow, president of the St. Paul Fire & Marine, will be married Nov. 3 to Orrin H. Ingram of Nashville, Tenn.

## GOOD INCREASE SHOWN IN EDUCATIONAL WORK

### INSURANCE INSTITUTE GROWS

Secretary's Report to Annual Conference Shows 25 Percent Gain in Attendance

The annual conference of the Insurance Institute of America was held in New York City. A summary of the secretary's report gives an idea of the past year's history.

The number of students who sat in all branches for examinations was 709. This is an increase of 25 percent over the past year, and 100 percent over two years ago. The number of certificates granted for examinations passed, no certificate being granted unless the student had passed three examinations, was 680. The institute now has 124 associate members, being those persons who have passed the required examinations and earned their final certificate.

#### Alumni Association Organized

An event of the past year was the organization of the Alumni Association which, among other things, offered a prize of \$30 to be presented to the student who obtained the highest average among all students sitting for the examinations this year.

More than 30 persons have registered themes on which they will write a thesis, thus entitling them to become fellows.

The institute, through its bibliography, is a constant means of assistance to various bodies, and is applied to almost daily for information. In connection with the development of the use of this information the Insurance Federation has asked the secretary to become a member of its committee on education.

The conference was distinguished by a hopeful note, based on positive advancement in the past year and the outlook for the present year.

## CINCINNATI GOLFERS IN NOTABLE TOURNAMENT

J. M. Barkdull won the first prize cup in the golf contest in the insurance men's golf contest at the Western Hills Country Club in Cincinnati last Thursday. Local, state and special agents were present to the number of 32. Others winning prizes in their order from the top were H. W. Rollins, National Union; Kenaeth Hogue, Baltimore American; Thomas Bryant of the Dolle agency in Cincinnati; John Gray, North British & Mercantile; Eugene Buss, general agent of Cincinnati; Charles Patterson, Glens Falls; Leo Schottenfels, agent in Cincinnati; John Cashel, Providence Washington; Harry Huff, manager United State Fidelity & Guaranty office in Cincinnati, and William Gilsdorf, North America.

The insurance golfers organized for next year, with Clifford Clemons of Cincinnati as president; J. J. Conway, Jr., of the Western Adjustment Bureau in Cincinnati, secretary, and Karl Kleve, C. B. Patterson and R. W. Jones as directors.

#### Angus Caruth Dies

Angus Caruth, assistant secretary of the Scottish Union & National, died Oct. 29. Mr. Caruth had been associated with the Scottish Union & National for more than 20 years. He joined the company as an examiner in 1907 and was appointed special agent in 1917 for western New York. Two years later he was made assistant secretary handling the eastern territory. In May, 1923 he was elected secretary of the American Union. Mr. Caruth was born in Brooklyn, N. Y., on Feb. 22, 1885.

## ANOTHER SUIT AIMED AT OHIO TAX INCREASE

### COURT ENJOINS COLLECTION

New Case Brought by Metropolitan Life Involves Premiums for Part of Year 1927

COLUMBUS, O., Oct. 31.—Another suit has been started by the Metropolitan Life under the extra one-half of 1 percent tax law, this one resisting collection of the tax on the business of 1927. The legislature of 1927 changed the law to increase the tax from the old rate of 2½ percent to 3 percent, and made it apply to the business of 1926. The Metropolitan Life successfully brought a suit when the insurance department endeavored to collect the increased tax on the 1926 premiums. Now the present suit brings in question the tax on 1927 premiums, on the ground that the law was not passed until May 24, 1927, and by its terms applies to all the premiums of the year. The contention of the Metropolitan is that the law is retroactive and hence unconstitutional so far as it involves premiums collected prior to May 24, 1927.

All classes of companies are affected by the tax.

#### Restraining Order Issued

A temporary restraining order has been issued by the common pleas court ordering that the 2½ percent tax be paid into the state treasury, but that the one-half of one percent tax be paid into the Citizens Trust and Savings Bank in trust, pending the outcome of the case. Insurance companies which are about to pay the tax have been instructed to pay only part to the state and the rest to the bank, to be held in trust.

## SCOTTISH UNION LETS CONTRACT FOR ADDITION

A contract for the erection of an office building extension to the main American office of the Scottish Union at 75 Elm street, Hartford, has been awarded by United States Manager John H. Vreeland.

Tentative arrangements call for a six-story building, which will be erected on land directly at the rear of the structure now in use by the Scottish Union & National companies.

Excavations are to be started at once, and the new building will be completed and ready for occupancy in the summer of 1929, as it is felt by officials of the company that additional accommodations are badly needed by the Scottish Union's American office at this time.

"Although the company's main office building on Elm street was built only 15 years ago, the increase in business and the organization of new American subsidiary companies which has been the policy of the Scottish Union of recent years makes necessary this office building extension," Mr. Vreeland said in his announcement.

#### Denver Insurance Man Dead

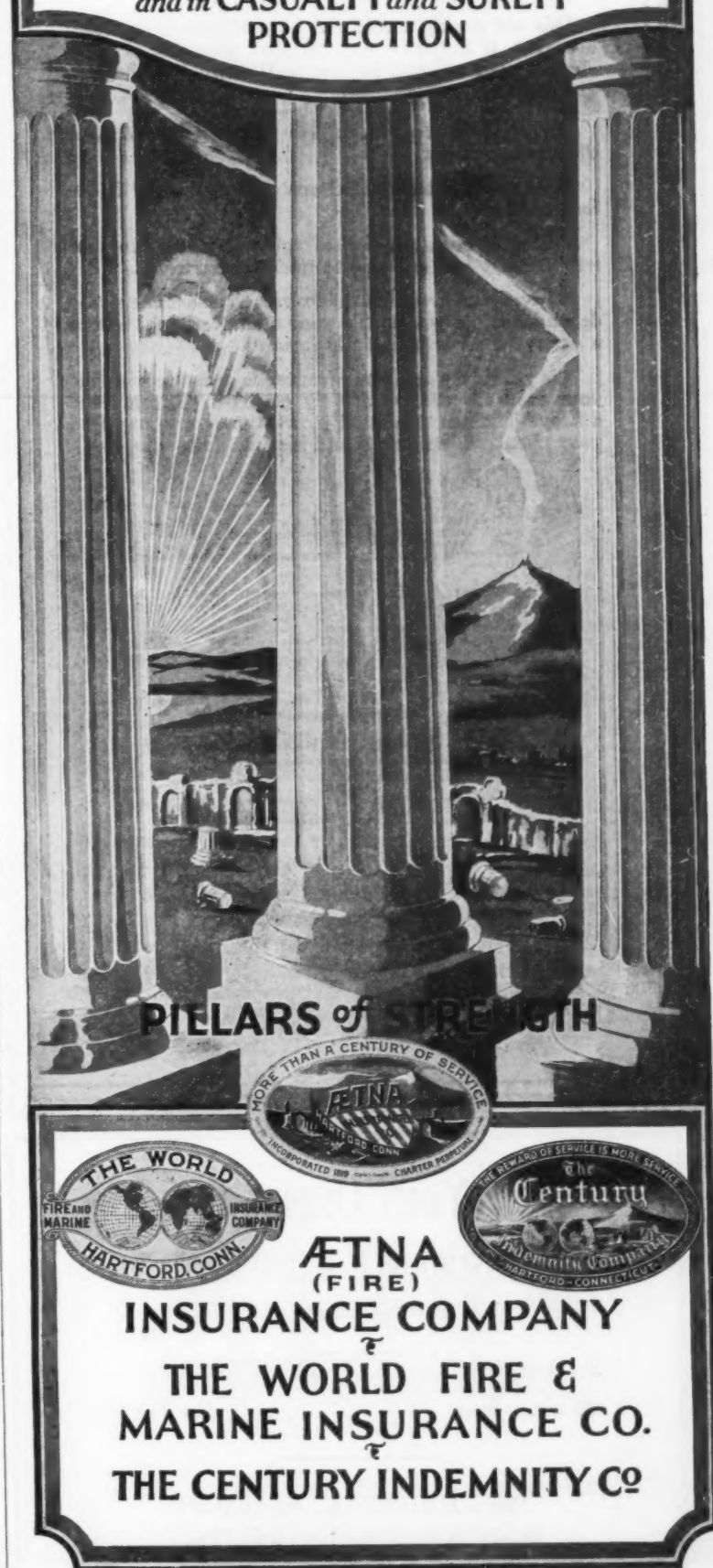
An invalid from a nervous breakdown suffered five years ago, Robert H. Douglass, 44 years old, well-known Denver insurance man, died at his home there the past week. Mr. Douglass had lived in Denver almost 20 years. During this time he was representative of the Royal. He was a brother of William Corbin Douglass of Houghton, Mich., special agent for the Firemans Fund group in the northern peninsula of Michigan, and also interested in a local agency at Houghton.

#### Frank Breen in Hospital

Frank J. Breen of Chicago, state agent of the Standard of New Jersey, is in St. Luke's hospital in his city, where he has undergone an operation.

## THE AETNA FIRE GROUP

Three Strong Companies  
Providing Dependable Insurance  
in FIRE and ALLIED LINES  
and in CASUALTY and SURETY  
PROTECTION



PIELARS of STRENGTH

MORE THAN A CENTURY OF SERVICE

THE WORLD FIRE & MARINE INSURANCE CO. HARTFORD, CONN.

THE CENTURY INDEMNITY CO. HARTFORD, CONNECTICUT

AETNA (FIRE) INSURANCE COMPANY

THE WORLD FIRE & MARINE INSURANCE CO.

THE CENTURY INDEMNITY CO.



## Strike While the Iron is Hot

This old saying would not be particularly apropos, however, if hot iron was all that was left of your client's plant — and he has just found that he was underinsured and coinsured!

Strike, while the iron is hot, yes—but before your client's iron is hot.

Obviously the time to advocate an appraisal\* is before the fire, not after.

A Lloyd-Thomas appraisal\* gives information that will prevent any loss due to underinsurance.

It gives the true insurable value, is accurate and dependable. It will enable your client to know within a penny whether he is fully insured.

It is your duty as a good insurance agent to see that your assureds are completely covered. Recommend a Lloyd-Thomas appraisal\* now—tomorrow may find your client underinsured and his iron hot.

**\*\*\*WHAT IS AN APPRAISAL?—**It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

**\*\*\*ITS ADVANTAGES—**1st—It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

### The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES.

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Atlanta

Indianapolis  
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Kansas City  
Des Moines

## NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY

## NEW LINEUP MERELY ADDS TO FACILITIES

### IS OPEN AVIATION MARKET

Organization of Aero Companies in No Way Affects Barber & Baldwin Organization

Following the organization of the Aero and Aero Indemnity with Horatio Barber as president, there has been some misunderstanding in the field as to the future operations of Barber & Baldwin and some agents have received the impression that this aviation underwriting office will concentrate its efforts in business development for the two new companies. Mr. Barber states that this is not the case, Barber & Baldwin remaining an open market, the new companies merely adding to its facilities and being an addition to the pool operating through that office. Barber & Baldwin, of which Mr. Barber is also president, will continue to both receive and cede aviation business without regard of connection. All agents and all brokers will be on the same footing as the representatives of the Aero companies and all companies will equally share in the business of the office.

The present organization is, in effect, a large pool of aviation underwriters. The Independence companies, the Aero companies and the several reinsurance groups involved, will all share in the business written by Barber & Baldwin and will, as a matter of fact, be aided in securing as wide a spread as possible on the risks accepted. Each will share in the risks of the other and no one company will receive business to the disadvantage of another. In addition to the many companies now operating through this office, several other companies are now planning to enter the Barber & Baldwin pool, with that underwriting office as underwriters.

### SPECIALIZING ON AIRCRAFT

Auer Agency of Milwaukee Devises Policy Where Rate Is on Flying Hour Basis

Auer, Inc., of Milwaukee, is an agency that has been interested in aviation insurance and has given it particular study. This agency operates three aircraft so that it is in a position to render immediate underwriting and adjustment service. The Auer Agency has the benefit of a technical committee to advise it in aviation service. This committee consists of Robert H. Gast, former British war aid; Daniel Kiser, who started flying in 1910 and for some time flew the night air mail between Chicago and New York; Charles W. Meyers, winner of the New York to Spokane Derby, Class "E" 1927; John P. Wood, winner of the National Air Tour in 1928; Robert C. Herron of the underwriting department of Auer; Stuart F. Auer, former war pilot. This committee concluded that some operators need a policy covering pilots rather than aircraft so that the pilot can operate any aircraft owned by the operating company. Hence a policy was devised to meet this demand. The premium charge is made on a flying hour basis rather than on a flat annual basis.

### Will Attend Illinois Meeting

R. P. DeVan, president of the National Association of Insurance Agents, together with Clyde B. Smith, chairman of its executive committee, will attend the annual convention of the Illinois Association at Springfield, Nov. 1, following which both will journey to New York City for a conference with their official associates as to the composition of the standing committees for the National organization for the new fiscal year.

## LOCAL ASSOCIATES DO HONOR TO CLYDE SMITH

### LANSING BOARD HAS DINNER

Every Office in Local Organization Represented, With Many Others in Attendance

The Lansing Fire & Casualty Underwriters of Lansing, Mich., gave a dinner in honor of Clyde B. Smith of that city, who was recently elected chairman of the executive committee of the National Association of Insurance Agents. Every office belonging to the local body was represented. Among the outsiders were Insurance Commissioner C. D. Livingston, Deputy Commissioners Horace B. Corell and Ralph Wade; L. H. Dabbert, manager of the Jackson office of the Michigan Inspection Bureau; Phil Braun of Flint, former president of the Michigan Association of Insurance Agents; John F. Horton, manager of the Aetna Casualty at Grand Rapids, and Frank Greet, manager of the Boston and Old Colony western automobile department. Mr. Livingston made some extended remarks and presented Mr. Smith with a large bouquet of roses on behalf of the Lansing local agents. Mr. Smith responded feelingly to the commissioner's address. Talks were made by Mr. Dabbert, Mr. Horton, Mr. Braun, Ralph Goodell, president of the Lansing association; Zelin Goodell and Austin Jenison, local agents; L. H. Debbert, manager of the Jackson office of the Michigan Inspection Bureau, and Fred Pearson, Detroit. Everts Rouse presided as toastmaster.

### USE OF "CANCELATOR" IS URGED BY COMPANY

One of the large casualty companies recently sent out a letter to its general agents advocating the use of the "Direct Reading Rate Finder and Cancellator," and suggesting that they recommend its use at least by the larger agencies. The ground of the recommendation was not merely the speed with which earned and returned premiums are arrived at, but the saving of correspondence over inaccurate cancellations.

The "Cancellator" is a device consisting of three disks, one of them with an arm for reading off the amount of any earned premium, on either short-rate or pro-rata cancellation. The "Cancellator" is not only a time saver but it prevents mistakes. There is no chance to go wrong. Cancellations made by pencil and paper are often erroneous. There are few people who can readily calculate the length of time a policy has been in force. It is easy enough when a policy runs from an early month to a late month, because it is easy to subtract three months from seven. However, if a policy was written in the seventh month and was cancelled in the third month of the following year, nearly everybody who has to work out such a cancellation is apt to go wrong. The "Cancellator" solves things of this sort mechanically without any possibility of error.

The "Cancellator" is sold by THE NATIONAL UNDERWRITER. Several thousand are now in the hands of agents and when they wear out are always replaced. Many offices say they would not do without them. The price is \$2.

### Spillman Speaks in Cleveland

CLEVELAND, Oct. 31.—The speaker for the meeting of the Insurance Board of Cleveland Nov. 13 will be Harry Collins Spillman, educational director of the Remington Typewriter Company.

Officers of the board who heard Mr. Spillman speak at West Baden, Ind., were so impressed by his address that they immediately started negotiations to bring him to Cleveland. He will speak on "Sustained Organization."



## O. M. SPAID REVIEWS NATIONAL MEET— WANTS BETTER REPRESENTATION

O. M. SPAID, manager of the fire division of the D. Sherman Ellison agency at South Bend, Ind., addressed the South Bend Insurance Exchange on the National Association of Insurance Agents convention, and after listing his observations on that event, interpreted them. Among his observations as a convention delegate were that fire company representatives were conspicuously absent, and that there was in the convention atmosphere more than a hint of a spirit of unrest, dissatisfaction, in agency ranks. He continued in part:

"Unrest in an organization is due to the fact that some factor, some policy, or some member of that organization is not performing the functions originally intended. It has been my experience that a company will go the limit with any man on any proposition that is producing results.

"We have today an organization that resembles only slightly the original insurance company organization of the last century. When the agent writes a policy he uses a rate that has been established by a complete engineering organization maintained so that the assured will pay in proportion to the hazard involved. He writes the policies under the supervision or authorization of a state agent. He mails the policy to an audit bureau maintained to assure the proper writing of the policy. It is then sent to an examiner who investigates the physical and moral hazard, block liability, net retention, and many other items the agent never thinks about.

### Agent's Status Changes

"The local agent at one time represented a single company and the company had a single representative. He was well acquainted in his community, knew his neighbors and called them by their first names. In the boom of industrial and commercial expansion the agent has become a business man of the highest character. He has caught the spirit of success and he must make his sale quota for the year. He must show an increase in premium income. He tells his clients now (instead of the companies) 'Leave it to me.' The modern demands on salesmanship call for the highest quality of personnel, the hardest and most consistent efforts possible and the constant observance of public demands. But the agent has made one mistake, possibly a fatal one. Instead of viewing the compensation for his efforts as the result of a cause, he now considers the compensation as the cause for his efforts.

"This condition we face is probably the outcome of promiscuous appointment of agencies, giving to men the title of agents who are not interested in the welfare of the company itself or not acquainted with the underwriting practices and demands necessary to make that company a success, and having no interest in complying with company rulings.

### Problems Often Confused

"We often hear criticism of bank agencies. Now, just because an agency is a department of a bank is no reflection upon that agency and should not be held against it at the bar of public opinion. Whether an agency is in connection with any financial institution is not the important issue. The real issue lies in the answer to the question, does any agency, whether it be independent or in connection with another institution merit its position as a representative of the insurance companies in its relations with the insuring public? Unless an agency can answer in the affirmative, it is an unnecessary and expensive link in the chain of fire insurance protection.

"We all know agents who never overlook an opportunity to criticize the companies and their rightful demands. They

hope that the assured will be so impressed with the bull twist they have on the tail of the companies and their ability to make them jump the rope of special concessions, that they will in this way obtain the confidence and responsibility of the assured's insurable interests. It is the intentionally malicious, the indifferent, the ignorant, the unqualified agent that has brought about this situation we now face.

### What Is "Good Agent?"

"What constitutes a good agent? This we must ask ourselves if we are truly conscientious in our desire to merit our position in the insurance fraternity and to justify our existence as local representatives of the companies. If we can convince the insuring public that we are worthy of the increased acquisition cost necessary for our maintenance, then I feel certain that it will be easy to console the companies that we are worthy of our hire. Outside of the usual routine of agency business, there should exist deep concern for the quality of business given the companies, from a physical, financial and a moral standpoint. How many of us will turn down a risk, even one that we know is an undesirable moral hazard? How many of us would investigate and inform the company of a financial condition that suggests bankruptcy or a petition for receivership? How many of us will submit a report to the company regarding the physical hazard of a risk indicating the degree of protection, the percent subject to one fire, the distribution of values, and other items of vital interest to the company? You will probably say that these are duties that should be performed by the special agents rather than the local agents, but these are all duties that were once performed by the local agents, and could be again if the local agents were trained and qualified to pass upon a risk and if they were endowed with the spirit to preserve the interest of the company even at a possible financial loss.

"The situation would not require correction if it resulted profitably for the company. The insuring public are the ones that will have to bear this additional cost of acquisition. Therefore, the controlling element in the situation is the buying attitude of the insuring public. When competition from mutual companies and reciprocals and cut-rate stock companies becomes noticeable to the old line stock companies, then the situation will be remedied with a suddenness that will amaze all of us.

### Casualty Carriers No More Liberal

"I have no patience with those who say that the casualty companies are more liberal and generous than the fire companies. We allow the casualty companies unlimited representation in a community. We allow them to make their own rates without state supervision and a great many privileges denied the fire companies. When the competition in casualty lines gets to the degree that it is in fire insurance—between the companies themselves, not between agents—and the public gets as well informed on the cost of casualty insurance as it is on fire insurance, you will see a decided change in their attitude also. Ask any average citizen how much he should pay for residence burglary insurance and he'll have only a vague idea. Ask him what he pays for fire insurance and he'll hit the cost very closely.

"Gentlemen, unless there is a decided change in agency attitude I can see only two courses in the future—one the establishment of company branch offices managed by salaried personnel with the elimination of present company field organizations—the other, the appointment of general agencies qualified to give service to assured and company."



## BE CONFIDENT

WHEN your card is placed on your prospect's desk—BE CONFIDENT. You can—you will—sell him!

Backed by the ATLAS, whose policy you offer your prospect, you have every advantage in your favor:

- (1) Every automobile insurance coverage in one policy.
- (2) The sure protection of a safe stock company.
- (3) Prompt and friendly service by a company that specializes in automobile insurance exclusively.

Those factors will help "put you over"—will help you sell your ATLAS policy and your service.

Then there's that matter of the "different" ATLAS agency contract—which gives you remuneration in exact proportion to the quality of the business you write—a source of greater income to you.

ATLAS offers you this opportunity to win larger volume and profits. Sit down and write the letter now that will bring you complete information about this friendly company.

*This is the first of a series of four advertisements. Look for the next on November 15th.*

# Atlas

## Casualty Company

EXECUTIVE OFFICES  
Fort Wayne, Indiana

OPERATING IN INDIANA, ILLINOIS, OHIO, MICHIGAN,  
MISSOURI AND PENNSYLVANIA

# NEW HAMPSHIRE FIRE INSURANCE CO. AND AFFILIATED COMPANIES



**A GROUP OF STRONG COMPANIES** with record of many years of service to the agent, at all times in a cooperative spirit, and well earned reputation for prompt discharge of policy obligations in a broad and liberal manner, a basis of management serving to cement a happy relationship with our agents as the years roll on

**NEW HAMPSHIRE FIRE INSURANCE CO.**  
MANCHESTER, N. H.  
ORGANIZED 1869

**COUNTY FIRE INSURANCE CO.**  
OF PHILADELPHIA  
ORGANIZED 1832

**GRANITE STATE FIRE INSURANCE CO.**  
OF PORTSMOUTH, N. H.  
ORGANIZED 1885

## CHANGES IN THE FIELD

### THREE FIELD MEN ADVANCED

Called in by Milwaukee Mechanics to Fill Newly Created Positions at Home Office

Three important positions have been added to the home office agency staff of the Milwaukee Mechanics, and in line with the policy of the company, it has called three of its field men into the home office to fill the places created.

Leo J. Kennedy, who has been state agent for western Pennsylvania with headquarters in Pittsburgh for a number of years, has been made an agency superintendent and will be identified with the work in the territory covered by the Eastern Underwriters Association.

The other two positions are those of assistant agency superintendents in the territory covered by the Western Bureau. They will be filled by A. L. Williams and Bernard Alabeck. Mr. Williams goes to the home office from Tennessee and Kentucky, where he has been state agent with headquarters at Nashville. Prior to going to that field, Mr. Williams was special agent in southern Illinois.

Mr. Alabeck has been special agent in Ohio for a long time and is a graduate of the home office. Announcement as to successors of these three field men will be made in the near future.

### POTTER MADE STATE AGENT

Home of New York Promotes Mississippi Man to Commanding Position in Louisiana

F. E. Potter, special agent of the Home of New York in Mississippi, has been appointed agent of the Home, Franklin Fire and City of New York in Louisiana, succeeding E. H. Addington, who is retiring on a pension. He will make his headquarters in New Orleans. Special Agents James H. Turner and F. B. Davenport will continue in Louisiana. Mr. Potter started with the Home in Mississippi after the war as an engineer. When the companies quit writing in Mississippi on account of litigation, Mr. Potter was transferred to the special risk department in Chicago and later was called to the home office in the same department. When the Home resumed business in Mississippi Mr. Potter returned to the state as special agent. The Mississippi Blue Goose gave Mr. Potter a farewell dinner at Jackson, he having been most loyal gander.

### L. E. Driscoll

L. E. Driscoll, for the past two years in the field for the Home of New York in Kentucky, and previously with the Kentucky Actuarial Bureau, has become state agent in Kentucky and Tennessee for the Norwich Union, succeeding E. H. Stockman of Nashville, Tenn., who will enter the local agency business in Nashville. Mr. Driscoll will have his office in Louisville.

### L. G. Allen

L. G. Allen, for several years state agent in Michigan for the National Liberty group, has resigned to accept a similar position with the Public Fire, covering Michigan and northern Indiana. He expects to maintain offices in the Transportation building, Detroit.

### A. W. Post

The Universal of Newark has appointed A. W. Post state agent in New York state. He will have his headquarters at Utica.

### GOODMAN MADE STATE AGENT

Corroon & Reynolds Group Plans to Organize Michigan Thoroughly—Establish Headquarters at Lansing

LANSING, MICH., Oct. 31.—Corroon & Reynolds will organize Michigan thoroughly for its fleet of eight carriers, it was disclosed here this week. William E. Goodman, for the past several years head of the rating division of the state insurance department, has been named state agent for the fleet, effective Nov. 1, and he will extend the several carriers' facilities to every portion of the state.

Up until about a month ago, only three of the Corroon & Reynolds group had authorization in Michigan. These were the New York Fire, the American Equitable and the Republic. Operations, without a field man operating in the state, were naturally restricted, being confined virtually to Detroit. Licenses have now been obtained, however, for the other five companies, the Merchants' & Manufacturers, Brooklyn, Bronx, Knickerbocker and Sylvania.

Offices of the state agent will be opened in the Newton building in Lansing and the entire state will be worked from this headquarters. Mr. Goodman, who has been with the rating division for upwards of six years, was previously with the Michigan and Indiana inspection bureaus. He has an unusually wide acquaintance among Michigan agents, having attended many of the state association meetings as a representative of the department and having covered virtually every section of Michigan checking on rates and carrying out his general duties. He was chosen to his new position by Vice-President Inglis of the Corroon & Reynolds organization. His successor in the department has not as yet been selected, department officials said this week.

### John C. Wharton

John C. Wharton of Lexington, Ky., who has been with the farm department of the Henry Clay Fire, will go with the Caledonian as state agent in Kentucky and Tennessee, succeeding Raymond T. Sweeney, who is to go to the Hartford office about the first of the year. It is reported that Mr. Wharton will make his headquarters in Lexington.

### Jens, Murray & Co. Open Agency

A. M. Jens and Wm. M. Murray, formerly members of the firm of R. E. James & Co. of Chicago, have organized a new firm under the name of Jens, Murray & Co. and are now located in their permanent quarters in A-1908 Insurance Exchange in that city.

They are continuing their Class 1 membership in the Chicago Board. In this connection they have the Cook County representation of the Merchants Fire of New York, the Lumbermen's of Philadelphia and the British America.

They represent the Merchants Indemnity for automobile, plate glass and burglary. Their automobile policy is a joint policy of the Merchants Fire and the Merchants Indemnity with the "Better Rates for Better Drivers" feature under both divisions whereby there is allowed a renewal credit of 5 percent for no losses the first year, 10 percent the second year and 15 percent the third year. The policy has other favorable features, such as a fixed insured value with a definite rate of monthly depreciation and with premium based on the average of the year's value.

You cannot contribute to another's peace of mind by giving him a piece of your own.



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### COMMONWEALTH CAPITAL DOUBLED

The stockholders of the Commonwealth of New York will meet Nov. 7 to vote on increasing the capital from \$500,000 to \$1,000,000. This increase will be made by the transfer of \$500,000 from surplus to capital by declaring 100 percent stock dividend. The Commonwealth is owned by its North British & Mercantile interests, it having been purchased in 1907. It started in business in 1866 with \$300,000 capital. Since it has been in the North British family it has made consistent progress. Its net surplus July 1, was \$2,939,000. Its assets are \$7,500,000 and premium reserve \$3,250,000.

### HANOVER CAPITAL INCREASED

The stockholders of the Hanover Fire at their meeting approved the proposed increase in capital from \$2,500,000 to \$3,000,000. Under the resolution one-half of this increase is given to present stockholders in form of a 10 percent stock dividend and the other half, or 25,000 shares will be sold to agents and employees.

### REDUCTION IN FIRE LOSS

Though a share of credit for the reduced fire losses that all companies continue to experience is assigned to the increased effectiveness of the arson committee of the National Board and again to the greater care exercised by adjusters in the handling of claims, one highly important contributing factor is the better underwriting practices followed in the great majority of offices. The lessons were dearly learned several years ago, when in the mad scramble for premium income, risks were written with a freedom that produced the inevitable heavy loss record. Underwriters inaugurated rigid reforms within their respective companies; instructing examiners that henceforth the slogan with respect to offerings would be "quality and not quantity." The result was an almost immediate diminution of the loss record. This experience has since continued, fully justifying the wisdom of the new policy. In spite of the increased competition supplied established companies by new entrants into the arena no disposition is shown in any responsible direction to let down the safety bars. Companies scan all submitted risks as critically as ever, and unhesitatingly reject those that do not measure up to required standards in every particular.

What becomes of the latter type of risks is one of the speculations of the business. It is not fair to assume that they are taken over by the newer institutions, for the latter as a rule, holding no allegiance to governing organizations, are free to pay whatever rate of commissions they see fit, and almost uniformly are offering figures likely to attract the better type of risks. The assumption then is that lines hard to place are perforce making improvements either through the medium of automatic sprinkler installations or like safety measures, or by the elimination of manufacturing methods that increased the fire hazard. Whatever the reason the comfortable fact remains that the fire waste of the country is being steadily reduced in proportion to property values.

### INCREASES IN CAPITAL MADE

Increase in the capital of a number of fire companies has been a feature of the business of late and as the institutions grow in size further moves of like character may be expected. The primary purpose of increasing the capital is to keep the item in proper proportion with its total assets and net surplus. Fire insurance is now a million dollar business and the company operating in the field without a capital of at least seven figures does not receive anything like the consideration from agents or assureds ac-

corded the million dollar enterprise. Notably does this apply to new institutions seeking field representation. The first question asked by a prospective agent when solicited to take on a new company, is the size of its capital. If this figure is not sufficient to impress him the task of the special agent seeking to plant the company is rendered doubly hard.

Investors in the great cities, too have learned to think and to talk large figures when considering corporate enterprises. Promoters of new insurance companies find it far easier to secure the attention of prospective investors by quoting millions than if they spoke of lesser sums. True, this statement does not apply to smaller communities where the raising of a couple of million dollars would be an almost impossible task, and yet propositions of lesser size can be launched, by appealing to local or sectional pride. Many of the largest and most successful fire companies started with capital of \$500,000 or even considerably less, but that was years ago; long before the days of the United States Steel, General Motors and kindred corporations, the operations of which have educated the average business man to

think in terms of millions or even billions when considering corporate entities.

### NO CHANGE IN COMMISSIONS

President Alfred F. James states that the New York "Journal of Commerce" was wrong in announcing that the company had changed to 30 percent flat commission to agents and brokers in New Jersey. He said that the company has made no recent change in its compensation to New Jersey agents and has no thought of a flat commission. The National Underwriter was led into error by the "Journal of Commerce" story.

### MILLIGAN VISITS U. S.

H. S. Milligan, manager of the North British & Mercantile, is here from London, after spending several weeks in the West Indies.

### WERNER WITH TRANSPORTATION

William Werner, for more than 19 years connected with the Firemens of Newark, resigned as an assistant secretary Nov. 1, and on Dec. 1 will assume the vice-presidency of the Transportation and the Transportation Reinsurance, both of New York City, of which William H. McGee is president. Thus far the companies have confined their activities mainly to marine, inland marine and aircraft insurance, and it will

be Mr. Werner's task to organize and develop the fire department. Mr. Werner's underwriting career began in 1894 with the Cincinnati agency of C. O. Gansel & Son. Subsequently he was an examiner at the head office of the Home of New York, later entering the employ of the Firemens of Newark as head of an underwriting division.

### Warning on Artificial Groups

Repeating the warning contained in his circular letter of July 9, Commissioner Edward Maxson of New Jersey has again notified companies writing automobile insurance that the granting of special rates for "so-called groups or classes," at rates less than those charged individual assureds, violates the anti-discrimination law of the state and must be discontinued forthwith.

### Check Advertising Results

Representatives of the National Board were in St. Louis last week to check up on the results of the national advertising campaign being carried in Missouri newspapers. Field men and officers of the local organization of agents were requested to give their views on the advertising and the results obtained to date.

The Bronx Fire has been licensed in Rhode Island and Ohio.



## THE AMERICAN Insurance Company NEWARK, N. J.

NOVEMBER SPRINKLER LEAKAGE 1928

SUN. MON. TUE. WED. THU. FRI. SAT.

**THIS** is the season - if there is a "season" - for selling Sprinkler Leakage Insurance. Originally it was believed that freezing was the cause of most Sprinkler Leakage losses and hence the beginning of Winter was considered the best time to sell. Experience has shown us, however, that the human element plays the leading role in water damage losses, and human nature is pretty much the same the year 'round.

When you consider that sprinkler systems are found usually in large, costly buildings, and that "big business" is founded generally upon brains, doesn't it seem unnecessary to use gaily-colored

folders to gain the interests of the owners? Most "Big Business" is done by letter: why not recognize the intelligence of the Sprinkler Leakage prospect and solicit him through the medium of a business-like letter!

Sprinkler Leakage commissions are nominal, but if you secure this coverage on a new prospect you are on the way to receive his Fire business. The intelligent property-owner leans toward the Agent who is more interested in genuine service than his own commissions.

To American Agents: Have you received your copy of our highly-successful solicitation letter?





### COVERAGES EFFECTED

FIRE,  
AUTOMOBILE,  
TORNADO,  
RENTS,  
LEASEHOLD,  
EXPLOSION,  
RIOT and CIVIL  
COMOTION,  
PROFITS AND  
COMMISSION,  
USE & OCCUPANCY

**AUTOMOBILE  
FULL  
COVERAGE**

Already the Patriotic is represented by many agencies throughout the United States.

But, frankly, we want to get in touch with some agents who do not have a Patriotic connection. We want the opportunity of telling these agents all about our service, our company, its lines, its connections.

We believe you will be glad to have this information before you as you select another company. Just a line of inquiry will bring you the PATRIOTIC facts that may result in pleasant business relations.

Won't you write us if you are looking for a good company?

# PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE  
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT  
WRIGLEY BLDG., CHICAGO  
JOHN F. STAFFORD, Manager

PACIFIC DEPARTMENT  
SAN FRANCISCO  
C. A. HENRY, General Agent

## AS SEEN FROM CHICAGO

### ILLINOIS BLUE GOOSE MEETING

The Illinois Blue Goose held its first fall meeting Monday evening with Most Loyal Gander I. C. Faber of the Fire Association in charge. Walter E. Atwater of Milwaukee, state agent of the Caledonian, one of the founders of the Blue Goose and its first most loyal grand gander, was present to represent the grand nest. Mr. Atwater related the incidents that led to the establishment of the Blue Goose. One of the interesting points he made was telling about the selection of its name. He said that the day that the Wisconsin field men met at Green Lake was rather cold. Many of the men, however, went in the lake to swim. As they came out they were shivering and one of the onlookers said, "These men look just like blue geese." That night an improvised initiation was put on, the order was started and it was called the Ancient & Honorable Order of the Blue Goose. Mr. Atwater in passing told about the founding of the order and some of its early history.

Others who spoke briefly were Fred W. Ransom, assistant manager, Providence-Washington, former most loyal grand gander; W. J. Sonnen of the St. Paul, former most loyal grand gander; T. R. Weddell, "Insurance Field"; Shirley E. Moisant, Kankakee, secretary Illinois Association of Insurance Agents, and C. M. Cartwright, THE NATIONAL UNDERWRITER. The pond rejoiced at the presence of A. S. Jacobs, Chicago city manager of the Queen, who has been disabled for over a year. When Mr. Jacobs entered the room he was given an ovation and later during the evening he received outbursts of applause. A. J. Meyer of the Automobile, who also has been on sick leave for a year, was present and was warmly received. R. C. Hosmer, vice-president and underwriting manager of the Excelsior at Syracuse, N. Y., was present. The members rose in silent tribute to Nelson E. Briggs, one of the honorary members of the pond who died Sunday. R. W. Tapper of the Rhode Island, retiring most loyal gander, was presented with an emblem in token of his service to the order. R. F. Woltersdorff of the Atlas had charge of the initiation. Some of the goslings taken into the pond were S. L. Legreid, state fire marshal; F. C. Schad, assistant manager Western Insurance Bureau; Clarence Goldsmith, W. S. Rathbun, George Tatnall of the National Board and L. H. Barnbrook, Fire Association; A. B. Kilburg, Public Fire; W. S. Levens, adjuster; Claude D. Miner, Liverpool & London & Globe; W. R. Puttall, Sun; W. H. McElliott, McCabe & Hengle Agency; W. K. O'Connor, Netherlands; A. E. Yohanski, Illinois Inspection Bureau; George M. Eddy, Jr., Fire Association; J. C. McMahon, Fire Association; Henry McLaughlin, Phoenix of Hartford.

### WATCH EXPLOSION RISKS

The companies writing explosion insurance are underwriting risks very carefully in Chicago and some other points where there had been bombings. In Chicago particularly a careful selection is being made. Bombings usually are connected with bootlegging or labor disputes. Most companies have kept close, watch on men who have any reputation as bootleggers or who are engaged in the liquor business in any capacity. Seemingly those supplying liquor are jealous of their territory and resent any interference. Soft drink parlors are carefully scrutinized to see whether any liquor is being sold.

Racketeers have been busy in Chicago, seemingly bombing places of business that invaded a new territory. Bombings have been connected largely with garages, cleaning and dyeing establishments, barber shops, shoe shining parlors, and

so on. At times there is an onslaught on concerns employing non-union labor or buildings being constructed by non-union labor.

In Kenosha, Wis., the Allen-A knitting mill has been repeatedly bombed. Houses of employees who are non-union are not written especially if they are active and have influence. The same is true of department heads and officials. Bombing of the public school at Aurora, Ill., which was under construction, has brought many applications for explosion insurance in that city.

Some of the political leaders in Chicago seem to be the target for bombs or at least there is danger of their being bombed. Therefore, it behooves companies to watch very carefully applications coming in for explosion insurance in Chicago.

### HILL CHICAGO VISITOR

William Carroll Hill of Boston, managing editor of the "Standard," who is one of the well known insurance newspaper men of the country, has been in Chicago attending the convention of the Amateur Skaters' Union of which he is president. Mr. Hill is prominent in the New England organization of skaters and has served during the last year as president of the national organization.

### NELSON E. BRIGGS DEAD

Nelson E. Briggs of LaGrange, Ill., died Sunday at his home. He had been a resident of LaGrange for 48 years. Mr. Briggs was state agent emeritus of the North British & Mercantile in Illinois. He retired from active service some years ago but continued to report at the office for loss work. In his day he was one of the great field men of Illinois. He was born in Quebec, May 15, 1843. He began his insurance career with the Rockford in 1869. He then went with the late Abram Williams, who was manager of the Yonkers and New York Fire at Chicago, remaining until 1871. Mr. Williams then became manager of the Continental and Mr. Briggs followed him for that company. Later Mr. Williams became western manager of the Connecticut Fire and Mr. Briggs connected with that company, going in the Illinois field. In November, 1894, he became state agent of the North British & Mercantile in Illinois. He was prominent in the Illinois State Board. He served for many years as secretary of the Fire Underwriters Association of the Northwest where many will remember him as embellished with a fancy vest and wearing a diamond in his shirt front. He held the secretarial throne with immaculate dress. Mr. Briggs was renowned for his power as a story teller, especially in impersonating the French Canadians. With these dialect stories he regaled many a company.

Mr. Briggs was proud of his Spenserian style of writing. It was as clear as an etching. His signature was one of the old time copy book flourishes. Mr. Briggs boasted at times that he had written the Ten Commandments on a circular piece of paper no longer than a 25-cent piece. The funeral was held at the LaGrange Masonic Temple Tuesday afternoon. Mr. Briggs was one of the oldest members of the Masonic order in the state and took a great interest in everything pertaining to Masonry. He is survived by a son, George W. Briggs, who formerly traveled in Illinois and later in West Virginia, and three daughters.

### TEAMS ENTERING LEAGUE

Six Chicago insurance or allied offices already have entered teams in the Insurance Basketball League for the 1927-28 season, and more are expected to enter at a meeting to be held Nov. 5 at 5:50 p. m. on the seventh floor of the building at 23 East Jackson boulevard. The teams already entered represent the Fireman's Fund, Aetna Life, Aetna Fire,



Hartford, Retail Credit Company and the London & Lancashire. It is the expectation of those interested that two six-term divisions will be organized. G. Henrichsen of the Hartford is chairman of the league.

### INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Lewis-Dewes & Co., the investment house in Chicago, gives the following insurance stock quotations as of Oct. 29:

Stock	Par	Bid	Asked	Share
Aetna Cas. & S.	100	1100	1140	\$12.00
Aetna Fire	100	870	885	24.00
Aetna Life	100	840	875	12.00
Agricultural	25	130	145	4.00
Alleghenia	50	330	350	10.00
Amer. Alliance	100	680	680	16.00
American Auto.	10	75	75	2.00
Amer. Druggist	25	83	86	3.00
American Equit.	5	35	38	1.50
American	5	28	29 1/2	1.00
American Res.	10	87	92	3.00
Amer. Salam.	50	73	77	2.50
Amer. Surety	50	260	270	12.00
Automobile	100	427	435	...
Baltimore Amer.	10	89	93	1.80
Bankers Indem.	5	22	25	...
Bankers & Ship.	100	550	600	18.00
Boston	100	1150	1220	18.00
Brooklyn	25	107	112	...
Buffalo	100	450	...	13.00
Camden	5	30	32	.95
Carolina	10	58	62	1.40
Centl. West Cas.	50	66	72	2.00
Chicago F. & M.	10	16	18	...
City of N. Y.	100	595	615	16.00
Colonial States	10	26	29	...
Columb. Natl.	25	15	20	...
Commercial Cas.	10	52	56	1.60
Commonwealth	100	750	...	20.00
Constitu. Indem.	10	32	36	...
Cont. Casualty	10	71	73	1.60
Continental	10	85	87	2.00
Detroit F. & Sur.	50	65	71	4.00
Detroit F. & M.	100	280	300	10.00
Detroit National	25	18	24	1.00
Eagle, N. J.	20	90	95	4.00
Employ. Re-Ins.	10	36 1/2	37 1/2	...

Stock	Par	Bid	Asked	Share
Excelsior	5	12	14	...
Federal, N. J.	100	1250	...	20.00
Federal Surety	25	...	...	...
Fidelity & Cas.	25	203	208	5.00
Fidelity & Dep.	50	285	300	8.00
Fidelity-Phenix	10	93	95	2.00
Fire Assn.	10	47 1/2	50	2.50
Fireman's Fund	25	110	115	5.00
Firemen's	10	45	47 1/2	2.20
Franklin	25	400	410	8.00
General C. & Sur.	...	30	50	...
General Surety	25	140	150	...
Georgia Cas.	5	20	25	1.20
Glens Falls	10	62 1/2	64 1/2	1.60
Globe & Rut.	100	2875	2950	44.00
Gt. Amer. Cas.	25	15	20	...
Gt. Amer. Indem.	10	75	80	...
Great American	10	48	50	1.60
Great Lakes	10	11	13	1.00
Guaranty Fire	100	215	230	10.00
Guardian Fire	25	120	125	5.00
Halifax Fire	10	42	45	.60
Hamilton	50	350	400	4.00
Hanover	10	79	82	1.00
Harmonia	10	72	75	1.40
Hartford Fire	100	820	830	20.00
Hartford St. Boli.	100	730	760	18.00
Henry Clay	10	11 1/2	...	.60
Home, N. Y.	100	550	560	20.00
Home Fire Sec.	10	42	45	...
Homestead	10	38	41	.60
Hudson Casualty	5	8	10	.10
Import. & Exp.	25	88	93	4.00
Independ. Indem.	10	23	24 1/2	.50
Independ. Fire	10	19	22	.60
Ins. Co. of N. A.	10	78	80	2.00
Iowa National	100	160	...	8.00
Lincoln, N. Y.	20	91	96	4.50
Lloyds Pl. Glass	100	260	280	14.00
Maryland Cas.	25	160	170	5.00
Mass. Bonding	100	550	600	12.00
Merchants, Com.	25	425	450	8.00
Merchants, Pfd.	100	126	...	7.00

Stock	Par	Bid	Asked	Share
Mechanics	25	100	...	2.50
Merchants, R. I.	50	117	123	...
Merch. & Mfrs.	5	12	...	...
Metropolitan	10	12	...	1.00
Milwaukee Mech.	10	46	48	1.80
Mohawk	25	53	58	...
National Cas.	10	51	53	1.20
National, Conn.	100	1090	1140	20.00
National Liberty	5	116	120	1.00
National Union	100	330	350	12.00
National Surety	100	299	302	10.00
New Amer. Cas.	10	73	75	2.80
New Brunswick	10	54	57	...
New Cent. Cas.	50	...	...	5.00
New England	10	50	55	...
New Hampshire	100	500	540	16.00
New Jersey	20	65	70	1.80
New York Cas.	25	93	96	4.00
Niagara Fire	25	136	142	...
Northern	25	130	140	3.75
North River	25	320	332	7.75
N. W. Natl.	25	200	215	...
Occidental	10	27	29	...
Pacific Fire	25	170	...	4.00
Pacific Indem.	50	210	...	...
Peoples National	10	63	67	1.25
Philadel. Natl.	10	24	27	...
Phoenix, Conn.	100	800	820	20.00
Pioneer Fire	20	20	...	...
Preferred Accl.	100	535	560	12.00
Presidl. F. & M.	25	29	...	...
Prov. Wash.	100	735	750	16.00
Public, N. J.	5	25	27	...
Reliance	10	25	27	1.20
Rhode Island	100	340	365	12.00
Rossia	25	216	218	6.00
Seaboard Surety	10	20	23	...
Security, N. H.	25	125	133	3.00
Southern Surety	10	28 1/2	40	1.60
Springfield	25	200	215	4.00
St. Paul F. & M.	25	208	213	4.00
Standard Accl.	50	325	375	6.00
Stuyvesant	100	300	315	6.00

Stock	Par	Bid	Asked	Share
Sylvania	10	27	30	...
Transpor. Indem.	10	26	28	...
Transpor. Insur.	25	38	46	...
Travelers	100	1560	1580	22.00
United States	10	106	112	...
U. S. Casualty	100	425	435	10.00
U. S. F. & Guar.	50	480	384	10.00
U. S. Mer. & Sh.	100	445	465	8.00
Universal	25	80	85	3.50
Victory	10	26	29	1.20
Virginia F. & M.	25	130	145	4.50
Vulcan	100	150	...	12.00
Westchester	10	93	96	2.50

<sup>1</sup>Rights 8 1/2-10  
<sup>2</sup>Rights 92-94

### TO MAKE LONG MOTOR TRIP

On Nov. 9 B. L. Heath, president of the Heath-Komaiko Company, Chicago agency firm, will leave by motor for California with his family. He will establish his wife and children in Beverly Hills for the winter and will return to Chicago before the end of November.

### CENTRAL WEST OFFICES MOVE

The Central West Casualty has moved from the old section of the Insurance Exchange to A-2032 in the new section. The claim department will occupy offices at A-2026 in the new section. In the first nine months of this year the Chicago office of the company has increased its

## OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue. "Opportunities" advertisements are \$6.00 an inch for one insertion.

The National Underwriter  
Chicago

## GENERAL AGENCY WANTED

An underwriting corporation just organized with \$25,000.00 capital wants general agency contract with some good company, writing fire and automobile insurance for states of Nebraska and South Dakota. We are fully organized with several special men and 150 local representatives. Only recording and claim adjustment contract considered. Men head of this organization have years of experience in the insurance business and thoroughly understand the business. Address Box No. 595, Grand Island, Nebraska.

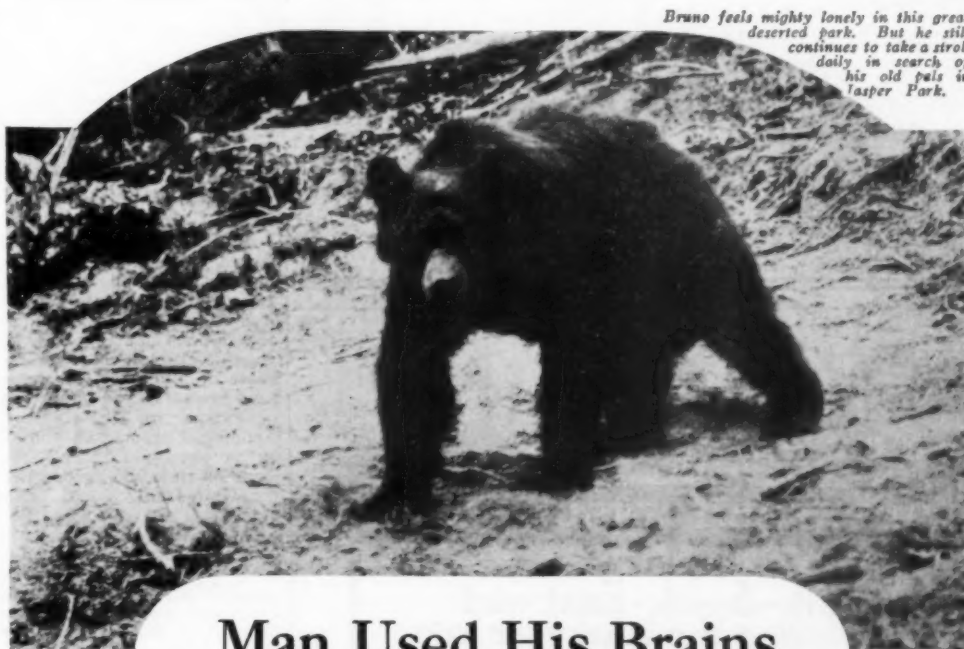
### YOUNG LADY

Wanted by Company Branch Office in Detroit young lady capable of supervising Office detail, with bookkeeping and stenographic as well as general insurance experience. Address H-3, care The National Underwriter.

Young man has a very desirable, completely furnished apartment in Chicago. Will share same with one or two gentlemen. To desirable persons, can offer very reasonable terms. Housekeeper has charge and prepares evening meal. This is a good offer and anyone interested should communicate with advertiser for appointment. Address H-4, care The National Underwriter.

### SPECIAL AGENCY WORK

Wanted by a large American company a young man with fire insurance examiner's experience for special agency work. In reply give experience, age and state if married. Address H-2, care The National Underwriter.



## Man Used His Brains Now He Is the Hunter Instead of the Hunted

LET'S apply a little commonsense to Automobile Insurance Selling—Isn't it logical to assume that proper equipment is going to win out in the Battle for Premiums just as proper weapons wins out for our big game hunters.

Not only can we assume it but we can prove it—The Automobile Specialty Companies are the fastest growing group in the business—let us tell you why—write today.

**UNIVERSAL AUTOMOBILE  
INSURANCE COMPANY**  
A WORLD OF PROTECTION A SPECIALIZED SERVICE  
EDWARD T. HARRISON, PRESIDENT  
DALLAS, TEXAS

1794

1928

THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA  
PHILADELPHIA, PA.

Fire—Lightning  
Tourist Baggage  
Inland Transportation  
Use & Occupancy

Windstorm  
Automobile  
Parcel Post  
Rent Insurance

Acquire

THE OLD "STATE OF PENN"



WINDSTORM INSURANCE

North—South—East and West during the past year have had severe storms that destroyed millions of uninsured property.

No section of the country is immune from this great destroyer that strikes when and where it will.

Agents will be performing a real service to their clients and prospects by suggesting Windstorm Insurance.

The rates are low—and the need of protection is great.

UNION ASSURANCE  
SOCIETY LIMITED  
OF LONDON

NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS

business more than 12½ percent as compared with the first nine of last year.

CHICAGO BOARD COMMITTEE

At the quarterly meeting of the Chicago Board, W. N. Achenbach, western manager of the Aetna, Fire-Clarence S. Pellet of Critchell, Miller, Whitney & Barbour and L. E. Yager of L. E. Yager & Co. were elected members of the executive committee.

L. R. Bowden, vice-president of the Bankers & Shippers and Pacific of New Jersey, is in Chicago this week in conference with western field men.

U. S. Atkinson of Newark, N. J., secretary of the Public Fire of that city, has been spending a few days in Chicago.

R. E. Adamson & Co. of Chicago have moved to A-1320 Insurance Exchange.

Louis A. Rose & Co., are now installed in their new Chicago offices at A-1925 Insurance Exchange. Mr. Rose held an open house last Saturday and received a number of friends. His offices were elaborately decorated with flowers. Mr. Rose has very nicely fitted quarters.

The Chicago branch office of the Indemnity Company of America, of which Andrew J. Cann is manager, has moved to A-1614 Insurance Exchange.

The Chicago branch office of the Great American Indemnity, with Harry E. Hill as manager, has moved to A-1114 Insurance Exchange.

The Chicago city office and the brokerage and service department of the Great American have moved to A-1146 Insurance Exchange. M. J. Moriarity is manager of the office.

FINANCE CORPORATION  
REQUIRES INSURANCE

NEW YORK, Oct. 31.—In explaining the plan of operation of the North American Funding Corporation, which "was organized by the Industrial Finance Corporation primarily to enable Morris plan banks to make mortgage loans for the building and purchase of small homes", its management says in part: "The bonds are the direct obligations of the North American Funding Corporation and are secured by an equal amount of first mortgage loans on residential properties located in the United States and Canada (which mortgages cannot exceed 60 percent of the appraised value of the properties) and, or cash and or United States government bonds. All properties must be covered by adequate fire insurance, and by tornado and or flood insurance where required. Individual mortgages may not be in excess of \$20,000. The title to each property securing a mortgage, or the mortgage interest therein, must be insured in a manner acceptable to the North American Funding Corporation. The corporation further requires borrowers to carry life insurance made payable to the corporation, in an amount sufficient to cover the unpaid balance on the mortgage at any time during its life. All stock of the North American Funding Corporation is owned by a subsidiary of the General Bond & Share Corporation, which in turn is controlled by the Industrial Finance Corporation."

Excess Gets Studebaker Line

NEW YORK, Oct. 31.—As of Nov. 1 insurance upon Studebaker automobiles, the sale of which are financed through its subsidiary finance corporation of South Bend, Ind., will be taken over by the Export Insurance Company of this city. For the past three years the account has been carried by the Home. While the premiums during the past year were in the neighborhood of \$600,000 at one time they amounted to approximately \$1,500,000.

The Sylvania Fire has been licensed in Tennessee and New Jersey for fire and allied lines in addition to automobile.

CONSTITUTIONALITY OF  
LAW WILL BE TESTED

NEW JERSEY ACT IN COURT

Agency Firm in Newark Brings Suit Against the Hartford and Phoenix of England

NEW YORK, Oct. 31.—As attorney for O'Gorman & Young, prominent agents of Newark, former State Senator Charles C. Pilgrim has entered suit in the circuit court of Essex County, against the Hartford Fire and the Phoenix Assurance, to recover the balance alleged due under the former contracts with the companies. These contracts were substituted for the uniform commission agreement in March last, upon the passage by the legislature of an amendment to the Ramsay rating law, requiring every fire company licensed in the state pay to its representatives the same rate of commission. The litigation thus begun will test the constitutionality of the much discussed act. The outcome will be awaited with the keenest interest by the uniform commission fire underwriting fraternity the country over because of the fundamental issue involved.

National Liberty Stock Up

NEW YORK, Oct. 31.—Officials of the National Liberty Fire refused to either confirm or deny the reported intent to increase the capital of the company from its present figure of \$2,500,000. On the strength of the rumor stock of the corporation advanced on the market here several points yesterday, and is now quoted at 133 a share, par value \$5.

North Carolina Home's Increase

Directors of the North Carolina Home have voted a \$500,000 increase in capital to bring it to \$1,000,000. Surplus is increased to over \$1,000,000. The company was organized in 1862 and has had a continuous and successful operation. It now does business in 23 states.

Explains Laboratories' Work

NEW ORLEANS, Oct. 31.—The usefulness of the Underwriters Laboratories to the electrical trade and to the public through its numerous services was given an important position in the program of the convention of the International Association of Municipal Electricians which convened in New Orleans last week. The keynote of the entire convention was the elimination of life and property loss through co-ordinated safety methods.

An amendment was made to the association's uniform electrical ordinance. C. J. Peacock, New York City, service engineer of Underwriters Laboratories and of the National Board, spoke at length of the service of Underwriters Laboratories.

Resign Niagara Agency

KANSAS CITY, MO., Oct. 31.—The Sam L. Casey agency and the Peterson Insurance Agency, both of this city, have resigned the agency of the Niagara.

Miscellaneous Notes

Astoria, Ore., local agents have organized the Astoria Insurance Federation with G. C. Paulding as president.

The Fireman's Fund Employees' Association was host at a Halloween party and dance in San Francisco last week. Several hundred attended the affair.

Reductions in fire insurance rates have been made in Hamilton, Mont., by the Pacific Board as a result of numerous improvements in the fire defense system of the municipality.

August Bauer, Jr., of Philadelphia, special agent of the Underwriters Salvage Company in that city, dropped dead on the sidewalk on his way from the office of the General Adjustment Bureau to that of Louis Dawson, an adjuster. He was 57 years of age.



**Hotel Russell-LamSon**

Waterloo, Iowa

300 Rooms

Fireproof

In Des Moines it's

The

**CHAMBERLAIN**

Hotel

Most Centrally Located  
250 Fireproof Rooms**CEDAR RAPIDS, IA.  
HOTEL ROOSEVELT**

Rates: Room without Bath with private Lavatories \$1.50 and up. Rooms with Bath, Shower or Tub \$2.50 and up.

E. G. KILL, Mgr.

**HOTEL  
VAN CLEVE**300  
ROOMS300  
BATHS**In Dayton—**

The Hotel Van Cleve, Dayton's newest and finest hotel. Delightful atmosphere and appointments that have distinct appeal to the discriminating public. Luxury without extravagance.

Reasonable Rates—Garage in Connection

C. C. Schiffeler, Managing Director  
DAYTON, OHIO**The Ambassador**

Los Angeles

No Hotel in the World Offers More Varied Attractions  
Superb 27-acre park, with miniature golf course, open-air plunge and tennis courts. Riding, hunting and all sports, including 18-hole Rancho Golf Club. Motion Picture theater and 35 smart shops within the hotel. Famous Coconut Grove for dancing nightly.

Write for Chef's Cook Book of California Recipes and Information.

5-1a

Ben L. Frank, Manager

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BENJAMIN FRANKLIN  
HOTEL  
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At Ninth and Chestnut Streets, in exactly the location where it is most needed—the center of commercial Philadelphia. Convenient to theatres, railroad stations, all of the great banking institutions, stores and publishing interests.

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Three Restaurants... Superior Banquet and Convention Facilities.

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Beautiful Forest Park right in front. Away from noise of the congested district. Quiet and exclusive surroundings, convenient to bus and street car lines.

ROOM and BATH  
\$4.00 for TWOKingshighway  
at West Pine**A Personal Invitation**

WE are proud that the Hotel Hollenden is known among the fraternity as "Insur-

ance Men's Headquarters in Cleveland." We appreciate your business fellows and we want all of you to be boosters for us. If we can do anything to make your stay with us more pleasant, just tell us what. We'll do it, if its possible.

Sincerely,  
Theo. De Witt.**In Cleveland—is The  
HOLLENDEN**THEO. DE WITT, Manager  
Superior Avenue at East Sixth St.**When in Lincoln  
Hotel Cornhusker**

300 Rooms

Without Bath, \$1.50 and \$2 per Day.

With Bath,

\$2.50, \$3, \$3.50 and \$4 per Day.

"The Agent who does not read his trade papers is worse than the horned toad shut up for 30 years in a Texas church cornerstone. He is just alive and mostly asleep."—George A. Caldwell, president of the Tennessee Association of Insurance Agents.

**BREVOORT  
HOTEL**Madison Street CHICAGO  
East of LaSalle

Insurance Headquarters

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.

**THE  
BELLEVUE-STRATFORD  
Philadelphia**

The choice of discriminating Philadelphians and particular travelers. Famous for its courteous service and homelike environment.

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New YorkNEW WILLARD  
Washington, D. C.

# THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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C. M. CARTWRIGHT, Managing Editor  
HOWARD J. BURRIDGE, Associate Editor  
FRANK A. POST, Associate Editor

PUBLICATION OFFICE, Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE 420 E. Fourth St., Telephone Main 5781. RALPH E. RICHMAN, Manager.  
E. R. SMITH, Statistician; ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE  
80 Maiden Lane, Tel. John 1032  
GEORGE A. WATSON, Associate Editor  
CHESTER C. NASH, JR., Associate Editor

SOUTHEASTERN OFFICE—ATLANTA, GA.  
1517 Fourth National Bank Building  
W. J. SMYTH, Resident Manager

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## Has the Conference System Died?

At the annual meeting of the TENNESSEE ASSOCIATION OF INSURANCE AGENTS there were two CALDWELLS, each occupying prominent positions in their state, who very definitely and emphatically declared that insurance companies make a grave mistake in promulgating changes in practices and rates when these changes are of moment, in not advising the agents beforehand of what is being done and why it is being done. GEORGE A. CALDWELL of Knoxville, president of the TENNESSEE ASSOCIATION OF INSURANCE AGENTS, in his address said that when changes of this kind are promulgated to the agents at the same time they are to the public, the agents are placed in a most embarrassing position because they are not informed as to the reason for the action and hence they cannot defend it. Insurance Commissioner A. S. CALDWELL in his talk made a similar criticism, saying that when new rules for underwriting practices come as a thunderclap out of a clear sky to agents, at the same time they are given to the public, bitter feeling is engendered. He said that the companies were not playing fair with the agents in following such a course. Both men undoubtedly referred to the recent promulgation of new underwriting rules dealing largely with unprotected property in Tennessee.

This brings up a very important subject. At meetings of the NATIONAL ASSOCIATION OF INSURANCE AGENTS and state associations complaint is made from time to time that the companies do not consult the agents or confer with them on important changes, although the selling forces are vitally interested and it will be up to them to deal with the public in putting these new rules in force. The agents are beginning to feel that the companies do not care to confer with them. In other words they take the position that when the companies have a new program to put into effect they decide on it, announce it and then fight it out with the agents afterward. The agents declare that the fighting should be done ahead of time. They contend that friction is engendered by the practice of sending out announcements to agents simultaneously with those that go to the public. The agents assert that in all the great busi-

ness organizations of the country the selling side of the enterprise is taken into consideration because that constitutes the force that must deal with the public.

In order to meritoriously present any new program to the public the agents say that they should be prepared for proper explanation. The companies should take time enough, they say, to give a clear exposition of what is intended and why it is being done. Even if the companies have their own way after a hearing, the local agents say that it would leave a much better taste in their mouths if they were consulted. The feeling seems to be growing in the agency ranks that the companies lack a certain amount of sincerity in their espousal of the doctrine of cooperation.

THE NATIONAL UNDERWRITER asked a few company officials as to why, for example, action was taken in Tennessee regarding underwriting practices without notifying the agents ahead of time. The information was elicited that the companies feared to acquaint the agents with what was to be done because the agents, or many of them at least, would cancel policies affected and rewrite them for five years. Thus the entire program would be defeated.

Furthermore the assertion was made by the company men that it is impossible to get local agents to agree as to what they really want. In other words the agents cannot agree among themselves. Hence any conference with an official body from a state association might be very greatly criticized by other agents because what the state association would declare, might be in opposition to their views. The companies claim that the agents are not of a single mind.

They cite the recent experience in West Virginia where the conference committee of the WEST VIRGINIA ASSOCIATION OF INSURANCE AGENTS met with the supervisory committee of the WEST VIRGINIA UNIFORMITY ASSOCIATION and agreed to the EASTERN UNDERWRITERS ASSOCIATION scale of commission in that state. These two conference committees were seemingly of the same mind. Yet the companies call attention to the fact that the WEST VIRGINIA ASSOCIATION OF INSURANCE AGENTS met and repudiated its own conference com-

mittee. The conference committee, of course, did not have power to bind the association and the companies recall this fact as indicating the great difficulty confronted in attempting to deal with committees of agents.

The two sides of the question are thus presented as they come to us. It seems to THE NATIONAL UNDERWRITER that it is very unfortunate if there is not a platform on which companies and agents can stand once in a while in discussing questions of great moment to all concerned. Frank J. O'Neill, president of the ROYAL INDEMNITY, in his recent address before the NATIONAL ASSOCIATION OF INSURANCE AGENTS at West Baden called attention to the sad spectacle that the business had viewed in some states in having companies and agents in direct conflict with one another before legislative committees or state insurance departments. He said that this was a blasting, corroding sort of an experience. He thought that there should be some way whereby the company men and the agents could come together in friendly comity. H. P. STELLWAGEN, secretary of the NATIONAL BUREAU OF CASUALTY & SURETY AGENTS, in his West Baden address said that the agents had been very helpful in assisting the companies in getting the new rating program for compensation insurance adopted in the various states. He said that in no instance had the agents done else than assist to the fullest extent. In this instance it can be said that the National Bureau acquainted the agents very fully of why it was necessary

to increase rates on the small premium risks.

Whether it is feasible for companies to confer with the agents or not, it is a sad commentary on the business if a situation exists where the companies cannot rely on the agents for fear that the agents will take action if they are given advance information that will defeat the very program that the companies desired to put into effect. It occurs to us that it is time to clear up a condition of this character. If the agents take advantage of a situation of this kind, then we certainly need an educational influence that will be felt up and down the field in every direction.

In our opinion it is a waste of money to begin the great institutional advertising campaign with the idea of acquainting the public about insurance and then have companies and agents fighting one another at different points over features of the business that are basic. It is conflicts of this kind that are disconcerting to the public and injurious to the business. As HENRY SWIFT IVES of the CASUALTY INFORMATION CLEARING HOUSE stated in a recent address, a position of this kind cannot be overcome by the largest body of public relations experts. There is nothing to be gained by two sides of the house engaging in a conflict.

We still believe with the redoubtable JAMES L. CASE that "conference, conciliation and cooperation" in their truest sense will accomplish good and bring harmony to the great business of insurance.

## PERSONAL SIDE OF THE BUSINESS

W. Frederick Chase, since February of last year manager of the suburban division of the New York Fire Insurance Rating Organization, and for nearly 25 years previously connected with the rating department of the New England Insurance Exchange, died last week at his home in Ridgewood, N. J.

Mr. Chase was born in Newburyport, Mass., and had his first insurance experience in that city in the agency of Chase & Lunt. Specializing in inspection and rating work, he joined the New England Insurance Exchange in 1903. In 1911 he was placed in charge of rates in Boston and the metropolitan district. His territory was gradually increased to include all of Massachusetts, Rhode Island and Vermont. When Massachusetts was released to the analytical department in 1919 Mr. Chase was made superintendent of the rating of summer hotels, motor inns and country clubs throughout Exchange territory, and at the same time retained general charge of Vermont and Rhode Island. In February, 1927, Mr. Chase was drafted by the New York Fire interests.

Frank M. Avery, Pacific Coast manager of the Fire Association, who has just returned from a four months' trip to Europe, was one of two Americans to participate in the fifth World Motor Congress held in Rome during his visit there. Although on a pleasure trip, when it was discovered by delegates to the congress that Mr. Avery is a director of the National Automobile Club he was asked to take part in the sessions and entertainment being given in honor of the congress.

Mr. Avery, who was accompanied by Mrs. Avery, attended several sessions of the International Association of Fire Chiefs at Philadelphia on his way home.

Judge Felix Hebert of Providence, R. I., Republican candidate for United States Senator, is well-known to the insurance people throughout the east.

He was at one time deputy insurance commissioner under Charles C. Gray, holding that office until 1917. He retired in 1917 to take up the practice of law but has devoted his time especially to insurance subjects and has won a reputation as an authority on insurance methods and insurance law.

Conrad Roeder, senior assistant secretary of the American Central of St. Louis, recently celebrated his 75th birthday. Mr. Roeder has been with the company 59 years and on the anniversary of his connection he was presented with 59 roses in commemoration for his years of service. He joined the American Central directly after finishing school and in 1875 he was placed in charge of the cashier's department. Mr. Roeder is still very active despite his advanced age.

John B. Knox, secretary of the Phoenix of Hartford and president of the Equitable Fire & Marine of Providence, R. I., died at his home in West Hartford last week. He had been ill about a month.

Mr. Knox, who was 71 years old, entered the employ of the Phoenix at the age of 16 and had served that company longer than any other employee. He held the post of secretary for many years. One of the best-known figures in New England insurance circles, Mr. Knox had a wide knowledge of and enthusiasm for the insurance field. His four sons are now engaged in the fire insurance business. They are Arthur S. Knox, West Hartford; John B. Knox, Jr., Portland, Me.; Frank R. Knox, Holyoke, Mass., and Harold Knox of Pittsburgh.

Allan Kennedy of Kennedy & Albers, Fort Smith, Ark., who has been in Rochester, Minn., the last six weeks undergoing treatment, will return home soon. Mr. Kennedy is a widely known insurance man, and has held offices in the National and state associations.



# TRUE STORIES



"**S**ORRY to hear about the fire Bob—if you need any money until you start operating again, just call on me."

"Thanks, old man—mighty nice of you—but another friend has already come to the rescue."

"Insurance is repairing the damage and replacing the stock; paying the continuing expenses while we are shut down as well as the anticipated profits. Because I had insurance I don't have to impose upon the generosity of good friends like you."

Surround your clients with insurance against fire, windstorm, explosion, business interruption and they will have a circle of friends that can be depended upon to come to their aid no matter what happens.



ERNEST ZIEGLER, Chairman of the Board  
PAUL L. HAID, President

CASH CAPITAL—TEN MILLION DOLLARS

## FIDELITY-PHENIX FIRE INSURANCE COMPANY EIGHTY MAIDEN LANE, NEW YORK, N.Y.

NEW YORK CHICAGO SAN FRANCISCO DALLAS MONTREAL

# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### GIVE FIRE PREVENTION TALKS

#### Ohio Field Men in Great Demand as Speakers in Various Parts of State

Members of the Ohio Fire Prevention Association have been especially active recently in giving fire prevention talks at various points.

John H. Gray, state agent of the North British, addressed 450 pupils and teachers of the Fourth Avenue school in Columbus, and also a public meeting following the town inspection of Marietta, O. Arthur Lohmeyer, state agent of the Aetna, addressed the Advertising Club at Marietta on the day preceding the inspection of that city.

R. S. Tidrick, state agent of the Springfield, addressed the Rotary Club, Lodi, and the Kiwanis Club, Medina, O. He also visited the schools and reported most satisfactory fire drills. W. J. Gilsdorf, state agent of the North American, addressed the Kiwanis Club of Zanesville, O. Bert O. Evans, state agent of the Glens Falls, addressed the Rotary Club, Conneaut, O., and the Kiwanis Club, Kent, O.

W. S. Winnard of the Ohio Inspection Bureau, Columbus, addressed the Kiwanis Clubs of Napoleon, Coshocton and Barberton, O., as well as the Rotary Club of Marietta, and made 13 talks in the public schools of Marietta, reaching 3,200 pupils and teachers, this during town inspection held Oct. 11. F. O. Evertz, Columbus, Ohio Inspection Bureau, addressed the City Wide Foremen's Club, Mansfield, O., with 350 present.

### INDEPENDENT BOARD'S WORK

#### New Organization of Unaffiliated Cleveland Agencies Shows Excellent Results in First Year

CLEVELAND, Oct. 31.—At the monthly meeting of the board of directors of the Board of Independent Fire Underwriters of Cleveland, the work for the first year of the existence of that board was reviewed and found to be very satisfactory in every way. The membership now includes about 25 of the former unaffiliated fire agencies and the prospects are that another ten agencies will join in the next few months.

The secretary was instructed to call the annual meeting for the second Tuesday in November for the election of officers.

The new board was organized at the instigation of President Albert H. Vetter, principally for the purpose of trying to obtain additional companies for the unaffiliated fire agencies. Mr. Vetter's aggressiveness has resulted in obtaining sufficient companies for the Independent Board members so that at the present time they can handle all business offered to them. It was decided that for the present no new connections would be solicited.

#### Cincinnati Blue Goose Luncheon

CINCINNATI, Oct. 31.—Dr. Burlingame, 81-year-old father of Homer Burlingame of the Cincinnati office of the Western Adjustment, was a guest at the Monday Blue Goose luncheon in Cincinnati. The Blue Goose in Cincinnati is meeting every Monday noon at the Chamber of Commerce and expects to see fellow members from other parts of the state at these luncheons. A special invitation, calling attention to the luncheons, will be sent out shortly to local as well as outside members.

### REDUCE U. & O. RATES IN OHIO

#### Many Changes in Book of Rules—New Rate Table for Term Policies

A general reduction in all use and occupancy rates except on risks of ordinary construction written on a per diem basis is the most important change announced in the Ohio book of rules and effective last Monday. A drastic reduction in use and occupancy rates is made where the coinsurance form is used.

All policies written in conformity with general cover contracts must be issued for a term of one year and the rate used is to be the published rate increased 20 percent. Formerly reductions by endorsement or cancellations were made on the short rate basis; now such reductions or cancellations may be computed on a pro rata basis.

An optional liability clause is added which prohibits the use of any clause or wording in a policy allowing the insured to exercise his option or election to include or exclude from the cover of the policy any properties, whether belonging to the insured or to others.

Credits for tornado rent insurance have been increased from 34 percent to 44 percent for not exceeding one-ninth and from 45 per cent to 55 percent for not exceeding one-twelfth.

#### New Table Issued

Changes have been made in the short rate tables and a new short rate table has been issued for term policies. It now becomes necessary when computing the earned premium on a policy which has been in force for a longer period than one of those named in the short rate table to use the next higher percentage in the table instead of the next lower or the average of the lower and higher. Fractions of a month not exceeding 15 days may be disregarded, fractions exceeding 15 days are to be counted as a full month. All term policies hereafter cancelled when they have been in force for less than one year must be cancelled on the basis of the premium for one year at the annual rate under the annual short rate table instead of being cancelled under the term short rate table.

The personal property clause now includes materials as well as personal property of the insured but coverage on this personal property including material is limited to that pertaining only to the sole use and/or service of the building.

The tornado builders' charge of 60 cents may now be cancelled pro rata instead of short rate provided permanent insurance is written in place of it, in the same company, upon the same property for not less than the same amount and for not less than the unexpired term of the policy cancelled.

#### Plan Ohio Federation Meeting

James R. Millikan of Cincinnati, president of the Ohio Insurance Federation, was in Columbus a few days ago and spent some time at the new offices of the federation there. Definite plans were outlined for a general meeting of the Insurance Federation to be held early in December. The membership campaign which is being carried on throughout the state is meeting with a satisfactory response, it was announced. Walter W. Belson, field secretary of the Insurance Federation of America and executive secretary of the Insurance Federation of Wisconsin, will spend February in

Ohio, addressing insurance groups in several cities and counties.

#### Will Inspect Athens, O.

An inspection of Athens will be made Nov. 14 by the Fire Prevention Association of Ohio. A public meeting at a dinner is being planned for the evening, under the auspices of the local chamber of commerce, at whose invitation the inspection is to be made. Talks at this time will be made by leading members of the association.

#### Withdraws from Dayton Exchange

W. A. Hoskin, president and manager of the Ohio-Cooper Insurance Agency Company of Dayton, has withdrawn his agency from the Dayton Fire Insurance Exchange and also resigned as president of the exchange. The Dayton Exchange has sent a notice to all agencies, members of the exchange to clear their offices of any companies represented in the Ohio-Cooper Insurance Agency office.

#### Mutual Company Decision

Held that a mutual fire insurance policy issued under the laws of West Virginia, which provides in terms that failure to pay any assessment within a stated time shall render the policy null and void during the time the failure continues after assessment is due, prevents recovery for a loss by fire while such default in payment of the assessment continues, notice of the assessment having been properly and timely given the assured, and a renewal supplement issued to him after failure to pay an assessment in arrears, which extends the term of the policy in consideration of the membership fee and premium already paid, does not make a new contract, but simply continues the policy

for the extended term subject to its then condition, and the right of recovery thereon as it existed at the time of the renewal supplement. Sheppard vs. Farmers Mutual Fire of W. Va., Sup. Ct. of Appeals, W. Va.

#### Ohio Notes

The Empire State of Watertown, N. Y., Brooklyn Fire and Bronx Fire have been licensed in Ohio.

Another attempt was made a few days ago to burn the First Congregational Church in Broad street opposite the state house, Columbus. This was the second incendiary fire in three weeks.

Charles D. Bender, aged 44, an insurance agent of Marion, O., was killed this week in an automobile accident near Marion. His business partner, Fay E. Roderick, was badly hurt.

The foundry of the Aetna Standard Engineering Company at Warren, O., was burned this week with a loss of \$250,000. The flames started in the cupola and lasted three hours.

Mrs. Margaret K. Bedwell, wife of Charles E. Bedwell, president and treasurer of the Bryson-Bedwell-Brubacher Company, Columbus, O., died this week. She had been a resident of Columbus 50 years.

For the fifth time in six years the Mount Liberty school near Marietta, O., has been destroyed by fire. Other buildings in the same neighborhood also have been set afire, and the authorities are investigating.

C. S. Randolph, formerly of the Ohio legislature from Perry county, has been chosen secretary of the Perry County Mutual Fire to take the place of J. E. Murdock, banker of Somerset, O., who died a short time ago.

Charles Hanley, who owns the hotel building in Mechanicsburg, O., has taken out a policy to protect his building against damage by airplanes. He is believed to be the first person in Ohio to take out insurance of this character.

## CENTRAL WESTERN STATES

### BETTER IN UPPER MICHIGAN

#### Insurance Business Increased With Improvement in General Activities in That Section

DETROIT, Oct. 31.—Increased mining and lumbering activities with resultant prosperity have brought an increase in insurance business in Calumet and other Michigan towns in the Upper Peninsula, according to Martin Brown, state agent of the Newark and Royal, who returned from a trip into northern Michigan last week.

"Two years ago," he said, "the mines and mills were shut down and business was almost at a standstill. Sixty percent of the dwellings in Calumet were vacant and several stores had closed while the town looked like the deserted village. Now, however, 90 percent of the dwellings are in use, while the mines and mills are working almost to capacity.

The opening of these industries in the northern part of the state is reflecting increased prosperity in other areas, Mr. Brown reported, with attendant increases in insurance business of all kinds.

#### Prideaux Undergoes Operation

E. F. Prideaux, well known local agent at Elgin, Ill., who is chairman of the farm committee of the Illinois Association of Insurance Agents, underwent a serious operation at the Presbyterian hospital in Chicago recently. He will be confined to the hospital for the next two or three weeks.

The National Mutual Fire, now occupying the eighth floor of the Guaranty building in Indianapolis, has purchased a large residence at the corner of Eleventh and Meridian streets and will move to the new quarters after it has been remodeled and converted into a suitable office suite.

### ILLINOIS AGENTS' MEETING

#### State Association Is Holding Its Annual Convention at Springfield This Week

SPRINGFIELD, ILL., Oct. 31.—President James M. Newburger, Secretary Shirley E. Moisant and other officials and committeemen of the Illinois Association of Insurance Agents arrived here today, holding a committee meeting prior to the general convention tomorrow. There will be two business sessions tomorrow and a banquet in the evening. Tomorrow morning President Newburger will give his address. He will be followed by reports of committee chairmen. Talks will be given in the morning by L. D. Edson, accident superintendent at the United States office of the Zurich General Accident in Chicago, and Edward D. Lawson, vice-president, William H. McGee & Co., marine underwriters. In the afternoon addresses will be given by John G. Yost, assistant secretary of the Fidelity & Deposit; Harold M. O'Brien, president Chicago Fire & Marine; E. Irving Fiery of Bowes & Co., Chicago, and Dwight Ingram, Chicago local agent. At the banquet the speakers will be John F. Stafford of the Sun; R. P. DeVan, president National Association of Insurance Agents; John W. Longnecker, advertising manager of the Hartford Fire and Attorney H. E. Soble of Chicago.

A number of the agents, recognizing the splendid work of President Newburger, are urging him to take the position again, which if he does will be a third term. President Newburger, like President Coolidge, "does not choose to run," thinking that it may establish a dangerous precedent to break the two term limit. However, considerable pressure is being brought to bear on



## LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President  
A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer  
WELLS T. BASSETT, Vice President

### JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855  
**FIREMEN'S INSURANCE COMPANY**  
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$40,000,136.83	\$19,459,279.01	\$7,500,000.00	\$13,040,857.82	\$20,540,857.82

ORGANIZED 1853  
**THE GIRARD F. & M. INSURANCE COMPANY**  
OF PHILADELPHIA, PA.

\$6,000,966.28	\$2,930,594.84	\$1,000,000.00	\$2,070,371.44	\$3,070,371.44
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ORGANIZED 1854  
**MECHANICS INSURANCE CO.**  
OF PHILADELPHIA, PA.

\$4,828,245.29	\$2,820,808.68	\$600,000.00	\$1,407,436.61	\$2,007,436.61
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ORGANIZED 1866  
**NATIONAL-BEN FRANKLIN FIRE INS. CO.**  
OF PITTSBURGH, PA.

\$4,907,721.63	\$2,557,216.60	\$1,000,000.00	\$1,350,505.03	\$2,350,505.03
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ORGANIZED 1871  
**SUPERIOR FIRE INSURANCE CO.**  
OF PITTSBURGH, PA.

\$4,835,369.35	\$2,520,317.56	\$1,000,000.00	\$1,315,051.79	\$2,315,051.79
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ORGANIZED 1870  
**CONCORDIA FIRE INSURANCE CO.**  
OF MILWAUKEE, WIS.

\$5,250,424.26	\$2,567,447.92	\$1,000,000.00	\$1,682,976.34	\$2,682,976.34
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ORGANIZED 1886  
**CAPITAL FIRE INSURANCE CO.**  
OF CONCORD, N. H.

\$760,298.04	\$375.00	\$300,000.00	\$459,923.04	\$759,923.04
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TOTAL OF ASSETS  
**\$66,583,161.68**

TOTAL OF LIABILITIES  
**\$32,856,039.61**

TOTAL NET PREMIUMS  
**\$25,684,495.78**

**WESTERN DEPARTMENT**  
844 Rush Street  
Chicago, Illinois

H. A. CLARK, Manager  
Assistant Managers  
H. R. M. SMITH  
JAMES SMITH JOHN R. COONEY

**EASTERN DEPARTMENT**  
10 Park Place  
NEWARK, NEW JERSEY

**CANADIAN DEPARTMENT**  
461-467 Bay Street  
TORONTO, CANADA  
MASSIE & RENWICK, Limited,  
Managers

**PACIFIC DEPARTMENT**  
60 Sansome Street  
San Francisco, California  
W. W. & E. G. POTTER,  
Managers

## LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

## A Company for Good Agents

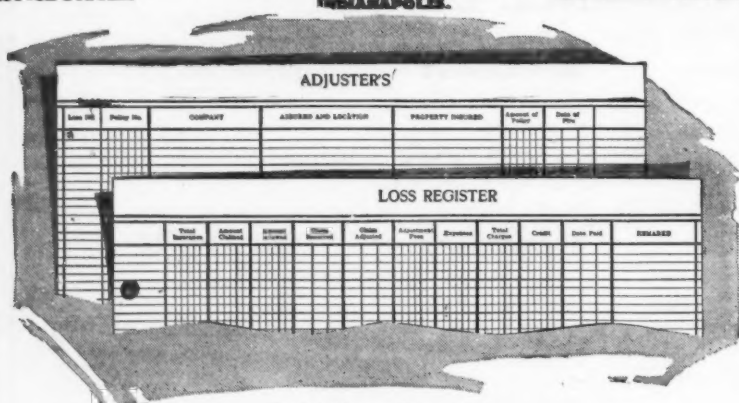
Twenty-three years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

**Home Fire Insurance Co.**  
of Little Rock, Arkansas

**The Rough Notes Co.**  
OFFICE SYSTEM INSURANCE SUPPLIES



Double Page—Form 811J

### Adjuster's Loss Register

A loose leaf record of all losses handled, providing convenient columns for all essential information. One, two or four lines may be used for each loss. The sheets are 8½x11 inches in size, printed on ledger paper, machine ruled in colors. A thoroughly satisfactory register for the use of adjusters and field men. The binder is of a special design, made of high grade, heavy weight Keratol imitation leather, with heavy board. Sheets are held firmly and securely with two telescoping screw posts which screw down tight, having no projection,

and yet providing 75% expansion. When closed, screw heads are covered, and the total thickness of the binder with sheets is no greater than a bound book of similar capacity.

#### Prices

Sheets alone: 100, \$2.00; 200, \$3.90; 500, \$9.50.  
Binder alone: \$1.50 each. Alphabetical Index, 40c per set.  
Complete outfits: Binder, Index and 25 sheets, \$2.55; with 50 sheets, \$3.15; with 100 sheets, \$3.90; with 200 sheets, \$5.70.

For Sale by

**The National Underwriter Co.**  
175 W. Jackson Blvd.

CHICAGO, ILL.

420 East Fourth St., Cincinnati 80 Maiden Lane, Room 613, New York

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

him. In case Mr. Newburger will not take the office undoubtedly his mantle will fall on Robert W. Troxell, first vice-president and one of the leading local agents of Springfield, who is well fitted for the task.

### FIRE FIGHTING RECORD OF PEORIA IS GIVEN

The engineers of the National Board have made a report on Peoria, Ill., showing the gross fire loss for the last five years as \$2,536,753. The average loss per fire was \$738, and the average loss per capita was \$6.32. The engineers found the water supply adequate and mainly reliable. Generally there are good quantities available. The fire department is deficient in engine capacity and is seriously undermanned. The fire alarm system is inadequate and not thoroughly reliable. The engineers found in the principal mercantile district weak construction, lacking in fire resistive features which makes severe individual to group fires probable in many of the blocks. The good street widths, moderate and low heights and the fairly adequate fire fighting facilities are mitigating features. Fire should be confined to the group or block of origin. In the minor mercantile warehouse and manufacturing district, individual or group fires are probable.

### Viehman Company Buys Agency

F. J. Viehman Company of Indianapolis has bought the Lorenz Schmidt & Sons agency of Indianapolis, one of the oldest fire and casualty insurance firms in the city. Lorenz Schmidt, founder of the agency, now deceased, organized the German Mutual Fire in 1872. Later it was reorganized as a stock company under the name of the German Fire of Indiana.

### Adds to Casualty Staff

LANSING, MICH., Oct. 31—Changes have recently been made in the personnel of the Dyer-Jenison-Barry Company agency's casualty claim department here. Appointment of Mrs. Hilda Gunnell as assistant to G. H. Spaulding, claim adjuster, was announced by Zelin Goodell, who, with Austin Jenison, manages the casualty department of the agency. Mr. Spaulding is thus relieved of considerable office work, a condition which will undoubtedly make for more rapid disposition of claims. Mrs. Gunnell is experienced in the work, having previously been with the claim department of the Aetna before the branch office was removed to Grand Rapids. Clarence Kachelski has also been added to the casualty department.

### Dinning to Give Dinner

A. H. Dinning, well known Detroit adjuster, gives each year a famous duck dinner. Invitations to this event are considered a real honor. Mr. Dinning will be host next Friday evening in Detroit to a number of friends who will partake of duck and all its trimmings.

### Gibson Opens Flint Office

The W. A. Gibson Company, Detroit, Mich., which has been adjusting insurance losses in Detroit and vicinity for many years, has opened a branch office at 205 Capitol Theater building, Flint, Michigan. The Flint office will be in charge of Verne C. Joslyn, who has been connected with the Gibson Company for a number of years.

Mr. Gibson states that the establishment of a branch office at Flint became necessary due to the volume of work his company has been handling in that territory out of Detroit.

### Outlook in Eastern Michigan Good

DETROIT, Oct. 31—A promising outlook for future business was found by W. S. Byler, state agent, and William H. Gartside, second assistant manager in Chicago of the Fireman's Fund, following their last week's trip through eastern Michigan.

Among the cities visited were Port Huron, Flint, Bay City, Jackson, Saginaw and Owosso. They report employment in fair shape and prospects good for a brisk fall business. Several localized industries look forward to improved conditions which leads Mr. Byler

to believe that an increase will be found in the next few months. Prosperity seems to be generally reflected in the cities visited, he reports.

### Bay City Agency Sold

Announcement is made of the sale of the Phillip S. Matthews agency in Bay City, Mich., to a corporation headed by John P. Sellers and Guy R. Moulthrop. Mr. Matthews had one of the old agencies in that part of Michigan. He will devote all of his time in the future to selling stocks and bonds.

Mr. Sellers has been for several years trust officer of the First National Bank in Bay City and Mr. Moulthrop has for some time been connected with the Mason & Fauth agency in Flint. The new organization will establish its headquarters at 206 Davidson building, Bay City.

### Western Adjustment Change

DETROIT, Oct. 31—J. Allen Cairns, staff adjuster for the Western Adjustment, Detroit branch, has been transferred to the branch office at Portsmouth, O. Mr. Cairns' Portsmouth office will be in the Masonic Temple in that city.

Mr. Cairns, a native of Scotland, whose father has long been in insurance work, served throughout the Egyptian campaign of the World War under General Allenby. He was made a captain at the age of 20.

### Work on Oil Hazard

MUSKEGON, MICH., Oct. 31—G. Hart of Twin Lake has been named to take charge of the conservation department's fire prevention work in the Muskegon petroleum and gas fields, it was announced last week by Harold F. Mosier, assistant district fire warden. Mr. Hart and Mr. Mosier will engage in a joint effort to eliminate all unnecessary hazards from the local oil producing area. Slash and other waste and debris in the vicinity of the drilling outfits and wells will be disposed of immediately under supervision of the state officials. Auxiliary tanks are to be protected by dikes and fire lines will be cut through the field. Operators in the field will stand the expense of the work.

### School Business Placed

MUSKEGON HEIGHTS, MICH., Oct. 31—Muskegon Heights school insurance will be placed with Muskegon Heights agents it was decided last week by the local board of education. Several shifts of coverage were made from Muskegon to Muskegon Heights agencies despite efforts of the former to retain the business. It was pointed out by one of the Muskegon agents that unusual service had been rendered the board in that lower rates had been secured through arranging for an inspection and recommendations by an engineer. Another pointed out that he had been a resident of Muskegon Heights for a number of years, paying taxes here, although maintaining his office in Muskegon.

### Push Blue Goose Insurance

DETROIT, Oct. 31—The Michigan Blue Goose is making a concentrated drive on its members to take advantage of the new group insurance offered, and has obtained applications from approximately 50 percent of its members to date, according to Herbert F. Sirich, welder of the goose quill.

Approximately 100 of the 325 members in the state responded with applications when the first announcement letter was received, according to Mr. Sirich. About 150 members have signed up to date.

### Muncie Board Elects

The Muncie Insurance Association, Muncie, Ind., has perfected its organization for the coming year. J. W. Kirkpatrick was named president; Earl H. Swain was chosen vice-president; Arnold G. Allen, secretary-treasurer, and Everett Moffitt, J. D. Miltenberger and Harry H. Wolf, executive committee members. An annual banquet preceded the election of officers.

### Elgin Agents Organize

ELGIN, ILL., Oct. 31—Forty insurance agents of the city have launched organization of a local insurance men's club and at a meeting Nov. 2 will complete permanent organization. William



Jones was chosen temporary president and Otto Q. Biegel, temporary secretary. Committees were named to handle details of the formal organization.

#### Indiana Notes

Harry Chashwa, manager of the insurance department of the Union Trust Company of Indianapolis, and a member of the board of directors of the Indianapolis Salvage Corps, was operated on recently at an Indianapolis hospital. He is having a rapid recovery.

Articles of incorporation have been filed with the secretary of state of Indiana by the Advance Underwriters of Indianapolis. The corporation has an initial capital stock of \$2,500 and is formed "for selling all kinds of insurance as agents, including life, health and accident." The incorporators are Elmer E. Perry, William A. Groom and Julian M. Fauvre.

#### Michigan Notes

The Albany, Western Fire of Fort Scott, Kan., and Triangle Automobile of Pittsburgh have applied for licenses in Michigan.

Detroit offices of the Fire Association group, heretofore located on the seventh floor of the Lafayette building, have been moved to Room 1106. The Constitution Indemnity will occupy Room 1104. Representatives of these companies will remain contiguous to each other in the new quarters as they have been in the old.

A \$15,000 loss was sustained at Mason, Mich., when Barr's garage and about a dozen cars were destroyed in a blaze of unknown origin. When the fire was discovered the garage was a mass of flames. A high wind caused some uneasiness but, with the aid of the Lansing department, the fire was confined to the building in which it originated.

An emergency fire-fighting reserve is to be established at the Lansing, Mich., plant of the Durant Motor Car Company in the construction of a 150,000-gallon reservoir near the new power plant now being erected. Contract for the reservoir was let last week to a local construction firm which has been building additions to the plant costing some \$750,000.

Operation of an insurance agency is

included among the powers of the Milwaukee Junction Manufacturing Building, Inc., Detroit, which filed articles of incorporation last week. It is capitalized at \$100,000. Incorporators are William C. Allee, Richard A. Forsyth, Detroit; Edward H. Yost, Pleasant Ridge. Offices are at 2587 East Grand boulevard.

M. F. Daniels, chief inspector in the Chicago office of the Fireman's Fund and Home Fire & Marine, is spending the week in Detroit conferring with Detroit agents and field men. H. A. Bush, assistant manager in Chicago, was also in Detroit Wednesday for the same purpose. While in Detroit they made their headquarters with W. S. Byler, state agent.

Burned about the head and neck when she is alleged, together with her husband, to have attempted to set their home and its contents on fire, Mrs. Stella Kowalski of Detroit is held on an arson charge. Police say that Kowalski was arrested once before on an arson charge in similar circumstances and that the couple had about \$6,000 insurance on the place and its contents.

A fire which threatened to wipe out the village of Fairgrove, near Saginaw, Mich., caused a total loss of approximately \$20,000 last week. Three buildings in the heart of the business section, a hardware store, an auto salesroom and a pool room and barber shop, were gutted by the blaze. The local fire department, assisted by companies from Bay City and Saginaw, finally got the fire under control.

Two spectacular downtown fires in Detroit the past week, one in a loop hotel and the other in a hospital, endangered the lives of 14 patients and started a panic among nearly 100 guests in the hotel. Fire starting from a faulty boiler in the center unit of the Lincoln Hospital, 1051 25th street, caused a loss of \$10,000 to the building and contents, which was covered by insurance. In the Griswold hotel, Griswold street and Grand River avenue, damage was confined to \$2,000, covered by insurance.

Fire Oct. 25 destroyed the grain elevator of George D. Sutton at Mason City, Ill. The structure contained 15,000 bushels of corn. Loss is estimated at \$50,000. A spark from a passing locomotive is believed to have caused the blaze.

## STATES OF THE NORTHWEST

#### REVAMP MILWAUKEE PATROL

Board Adds Equipment—Now Has 30 Men Divided Into Three Companies

MILWAUKEE, Oct. 31.—The complete revamping and reorganization of the Milwaukee fire patrols, operated by the Milwaukee Board, which was started two years ago has been completed.

The efficiency of the Milwaukee patrol system has been brought up to a point where now it is one of the foremost units of its kind in the country, ranking with any city, with the possible exception of Chicago, which is regarded as being the leader in patrol work.

The retiring patrol committee gave its report on the developments of the patrol at the recent annual meeting of the Milwaukee Board. Benjamin Weil has been chairman of the committee and the other

members were Robert J. Pittelkow and Carl P. Dietz.

Trucks and equipment have changed and additions made and the personnel reorganized. One of the important features is the institution of a rule book governing the patrols, which now is literally the "Bible" of the Milwaukee patrols.

#### New Equipment Added

During the two years, three new trucks and a new car for the chief have been purchased. New equipment of the modern type has been bought and salvage tools added for the patrols. Three hundred new covers are among the new equipment.

The Milwaukee patrol now charges a cover rental for its covers, which will net the patrol between \$1,200 and \$1,800 annually. This will pay for many new covers each year. Previously, no rental charge was made and the result was that covers were lost and the corps was short

## NOVEMBER— The Thankful Month

Thanksgiving's coming. Are we thankful? We are.

\*\*\*\*\*

What for? Oh, lots of things. For instance, there are those constant hazards of fire, windstorm, automobile accidents and so forth. Some of us escaped them. So we're thankful.

\*\*\*\*\*

But some of us did not. And then the thankfulness depends upon the amount of damage and whether or not there is insurance recompense.

\*\*\*\*\*

Your job is to give these luckless ones something for which to be thankful when that loss occurs. Insurance is the something.

\*\*\*\*\*

Every time you sell a man a fire policy; every time you show that same client why Rent or Rental Value Insurance, Windstorm Insurance or, in the case of a business, Business Interruption Insurance is a necessity for complete protection, you have given him plenty of cause to be thankful. Even if he never suffers a loss, the relief from worry afforded by insurance protection is sufficient cause for joy.

\*\*\*\*\*

And right now is an opportune time to go after those very insurance covers mentioned. As a representative of The Carolina Insurance Company you have a sales argument in the dependability of this Company; in the assured protection it affords your clients. Use it when you talk insurance.

\*\*\*\*\*

If there is no representative of this Company in your locality remember that dependable agents are invited to apply for representation.

## The CAROLINA INSURANCE COMPANY

WILMINGTON  
NORTH CAROLINA

NEW YORK OFFICE  
59 MAIDEN LANE



"How insurance agents can get along without reading their trade papers I cannot understand."—George A. Caldwell, President Tennessee Association of Insurance Agents.

# HANOVER

**A GROWTH WE ARE PROUD OF**

	Capital	Net Surplus	Assets
1922	\$1,000,000	\$1,711,113	\$ 7,493,402
1928 (July 1st)	2,500,000	6,276,255	15,079,765
	Proposed New Capital, \$3,000,000		

\$2,500,000 CAPITAL (July 1st., 1928)

\$6,276,255 NET SURPLUS

\$15,079,765 ASSETS

**The HANOVER FIRE INSURANCE COMPANY of New York** Charles W. Higley, Pres.

that many each year, with no particular fund to replace them.

The corps consists of 30 men, with the chief and his two assistants, and forms three companies, two of which are housed in the Milwaukee street station and one in the Galena street station.

### ASSUMES ROLE OF FIREMAN

#### Sam F. Weller of Mitchell, S. D., Saved a Loss By Attacking Fire in Farm House

Sam F. Weller, of the Weller Company, local agents of Mitchell, S. D., recently assumed the role of volunteer fireman and saved the Alliance of Philadelphia quite a loss. This agency is carrying \$8,000 insurance on dwelling and \$4,000 on contents of a large farm risk. The assured some time ago suffered a complete loss of his dwelling with its contents and he had no insurance. Then he decided that insurance was a pretty good thing after all. He made the remark that if he had another fire he was going to save everything he could.

Mr. Weller was spending the evening with this assured recently. During the course of the conversation they were sensible of a noise resembling the slamming of a door and then a sound developed like some object being dragged over the floor. The host went to the door expecting to find some one at hand, but instead noticed that flames were shooting out of the basement window. He rushed back in the house telling the people that it was on fire. He started upstairs and began throwing out contents of the rooms. Mr. Weller, however, realized that there might be some effective work done in putting out the fire. He secured a pail of water, got others to follow suit, and in a short time put out the flames with a loss of less than \$100. The fire started in a supply of corncocks in the basement.

### Fargo Is Inspected

Fargo, N. D., is being inspected this week by 30 fire insurance field men. The business district will be inspected and inspection blanks will be distributed to school children who will be asked to check up on their homes and notify their parents if they find any fire hazards.

### Appoint Board Committees

MILWAUKEE, Oct. 31.—Committees of the Milwaukee Board for the ensuing year have been announced by President Fred J. Lewis. They are: Public affairs, W. T. Greene, chairman; Benjamin Weil, Otto Braun, R. J. Pittelkow and Carl P. Dietz; legislative, B. A. Lehnberg, chair-

man; W. B. Calhoun and L. C. Hilgemann; conference, W. B. Calhoun, chairman; L. C. Hilgemann, B. A. Lehnberg, Val Gottschalk and Henry Eckstein; office, Carl P. Dietz, chairman; Otto Braun, Otto Kremers; fire prevention, Henry Eckstein, chairman; Paul Schuengel and W. B. Calhoun.

The Milwaukee Board will resume its plan of holding evening dinner meetings this winter and the date for the first one has been set as Nov. 14.

### Analyzes Minnesota Policy

MINNEAPOLIS, Oct. 31.—The Minnesota standard fire insurance policy was analyzed at the regular meeting yesterday of the Insurance Club of Minneapolis. The speaker was C. E. Nugent, associate manager of the Western Adjustment. The club is planning an aggressive drive for members.

### Corrections in Directory

In the new Wisconsin Handbook, page 208, the Bartlett Agency at Eau Claire, under the management of F. A. Bartlett, should show as solicitors A. W. Bartlett, Leon C. Bartlett and Guy J. Hagen. The agency has added the Automobile of Hartford in addition to other companies now shown. It should also be listed in this directory as district manager in Eau Claire county for the Mutual Life of New York, where it is given as agent under Earl S. Welch, who is also district manager of the Mutual Life.

### Red Wing Men in Chicago

Erwin H. Schacht of Chelmsen & Schacht, local agents at Red Wing, Minn., accompanied by Dr. Donald R. Clayton, and their wives have been spending a few days in Chicago. Mr. Schacht has been visiting the larger Chicago insurance offices with which their agency transacts business. Dr. Clayton is one of the leading physicians and surgeons of Red Wing, as well as medical examiner for several of the life insurance companies, and he has been visiting the Chicago clinics.

### Drive for Club Membership

MINNEAPOLIS, Oct. 31.—A concerted drive to increase the membership of the Insurance Club of Minneapolis to 300 will be made during the current year. It was resolved at a recent meeting of the club. The Insurance Club of Minneapolis includes all classes of fire, life and casualty, agents and company men. Its functions are educational and social.

A map survey of Grafton, N. D., is being made by the Sanborn Map Company. A similar survey is to be made at Minot. The last survey in these two towns was published in 1919.

The Minnesota Insurance department accounts are found correct in all details in a report made by Henry Rines, state comptroller. The report was made following the retirement of George Wells as commissioner.

tion Bureau will discuss insurance carriers and laws relating thereto.

### CAN'T AGREE ON TAX ORDER

#### Kansas Department Insists on Requirement for Reports—May Appeal If It Is Not Included

TOPEKA, KAN., Oct. 31.—Attorneys for the companies involved in the Kansas insurance rate litigation have been unable to agree with the attorneys for the state relative to the terms of the order to be issued by the district court of Shawnee county on the tax on tornado premiums.

For the first three years of the insurance litigation the companies impounded the premiums on tornado insurance with the insurance department. The companies have returned or offered to return the impounded premiums in their hands to the policyholders and the state is about ready to return the money in its hands. In the meantime the question of getting back the taxes paid on these impounded premiums arose. The state lost this tax suit and the companies were authorized to deduct the taxes from those for the year 1927 and paid in 1928.

In preparing the journal entry under this court order the state inserted a paragraph that the order would not prevent the state demanding complete reports of the refunding operations of the companies on their share of the impounded premium. A copy of the proposed order was sent to Robert Stone, Kansas attorney, and R. J. Follon, chief counsel for the companies. They objected to the paragraph. The state insists that it will not agree to the elimination of the paragraph and has asked for time to argue the question. It was indicated by the state officials that the entire case might be appealed if it is not included.

### Find Optimism in Nebraska

An unusually successful tour of the southeast and south central sections of Nebraska has just been completed by a group of Lincoln executives and general agents, under the leadership of Maurice A. Hyde, chairman of the insurance subdivision of the Lincoln chamber of commerce. The main idea stressed in the speeches was that insurance in its various forms and activities is the foundation stone of progress and prosperity, and that every human responsibility, all property interests, all credit and all commerce, are stabilized and protected from loss and impairment by insurance, which protects against all hazards.

Mr. Hyde says that a general feeling of optimism was found among the bankers and other insurance men visited. Fire insurance men report an unusually small number of losses the last four months.

### Omaha Faces Rate Raise

OMAHA, NEB., Oct. 31.—As a result of the decrease in the number of firemen on duty at any one time, due to the refusal of the city commission to provide adequate funds for the department, a sharp rise in insurance rates is threatened. Joseph Barker, head of one of the large agencies of the city, said that his companies are insisting that a raise of from 20 to 50 percent be made if the council refuses to adequately finance the department.

Mr. Barker's prediction is affirmed by William DeRohan, engineer for the National Board. He says that the rates are certain to go up unless immediate measures are taken to remedy the weakened condition of the fire-fighting forces.

### Hail Fund to Pay in Full

LINCOLN, NEB., Oct. 31.—Commissioner Dumont finds that the state hail insurance department will be able to pay claims in full this year. Premiums collected and available for use for payment of losses Dec. 1 will total \$21,386, while losses were \$19,603. The money is now in the hands of county treasurers, who have 30 days in which to remit. Policies numbered 442, compared with 1,265 last year. This is about a tenth

of the maximum premium income of the fund ten years ago, and since then it has steadily declined, due to the number of years in which it was impossible to pay losses in full. Last year the privately-owned companies collected \$2,400,000 in premiums and paid \$1,100,000 losses.

### Iowa Blue Goose Luncheon

DES MOINES, Oct. 31.—At the Blue Goose noonday luncheon Monday Most Loyal Gander Asa C. Hall introduced A. C. Schilke, state agent of the Sun, who afforded much amusement in a burlesque political address.

Announcement was made by Mr. Hall that next Monday an insurance man well qualified to discuss the subject would talk on airplane insurance. All phases of the subject will be treated. The importance of the state highway bond project in the coming election was stressed and the field men were urged to devote as much time as possible to the issue from now until election. The organization is unanimous in its support of the proposed \$100,000,000 highway improvement program.

Mr. Hall also outlined the details of the forthcoming Blue Goose banquet and initiation. A large class will be presented.

### Exhibit at Stock Show

KANSAS CITY, MO., Oct. 31.—The farm committee of the Missouri State Fire Prevention Association, under the direction of T. O. Nuckles of the Springfield, chairman of the committee, is arranging to have an educational booth at the American Royal live stock show at Kansas City, Nov. 17-24. The booth will be presided over by field men in the farm department. Heretofore fire prevention among the rural population has not been pushed to the same extent as in the cities and towns, and it is the intention of the committee to start the rural campaign with this exhibit.

### Plan Kansas Inspections

Two town inspections are scheduled by the Kansas State Fire Prevention Association for Nov. 15. Sterling will be inspected in the morning and Lyons in the afternoon. In order to complete the work in the two towns in one day, the officers of the association urge a large attendance.

### Universal in Nebraska

The Universal, through its western manager, Harvey W. Murray, has been licensed in Nebraska. The state will be operated on a direct reporting basis to the western branch located in the Insurance Exchange at Chicago.

### Central Kansas Field Club

WICHITA, KAN., Oct. 31.—Carl Bailey, state agent for the Westchester, led the discussion before last week's meeting of the Central Kansas Field Men's Club, taking up automobile collision, hail and tornado coverage. George M. Montgomery of the Western Adjustment, Austin Stone, independent adjuster, and P. J. Lake of the St. Paul took part in the discussion. Clarence Bleckley, state agent for the Rhode Island, gave a report of the Kansas Association of Insurance Agents convention held last week in Pittsburg. Fred Whitton of Topeka, representing the hail department of the North America was a guest, increasing the attendance to 21. President Austin Stone presided. Willard Quinn of the Kansas Underwriters will lead the discussion next week on "Automobile Public Liability and Property Damage Coverage for the Individual."

### St. Louis Blue Goose

The St. Louis Blue Goose at a recent weekly luncheon put on a very amusing travesty on the current political campaign. The speakers of the day were Mr. Al Hoover and Mr. Herbert Smith. Mr. Moskop introduced Herbert Smith, while Dr. Neverwork sponsored Al Hoover.

### Ready to Mail Checks

TOPEKA, KAN., Oct. 31.—Commissioner Baker of Kansas expects to begin mailing the impounded tornado refund checks to policyholders this week. The total amount of tornado premiums to be refunded to policyholders is \$108,840. Of the 76,556 checks the majority are for less than \$1 and there are several thou-

## IN THE MISSOURI VALLEY

### FIELD MEN START NEW CLUB

#### Membership Limited to 15—Discuss Various Kinds of Coverages at Weekly Meetings

KANSAS CITY, MO., Oct. 31.—A group of 15 field men, members of the Missouri State Fire Prevention Association, have organized and are conducting a school to study insurance coverages and classifications of various kinds. A 15 weeks' program has been mapped out, and each week a member of the group will address the club on a subject with which he is particularly familiar.

### Explosion Insurance Discussed

At the first meeting, Oct. 29, A. O. Ramseyer of the North America, president of the Missouri State Fire Prevention Association, opened the discussion with a talk on explosion insurance, its various coverages and intricacies. Following the talk there was considerable discussion. It was brought out that many of the members are over-

looking the explosion line. The fact was stressed that only recently mortgage and loan companies have been requiring full tornado insurance along with fire insurance and now many are including explosion coverage in addition.

A second purpose of the organization is to develop the field men in public speaking, since they are often called upon to speak before chambers of commerce and other civic bodies in the interest of fire prevention and on other subjects.

### Limited to 15 Members

The club is limited to 15 members for the reason that with that number they can finish their discussion in one hour's time. There has been much interest manifested in the study group and it is expected that one or two similar units will be organized in Kansas City shortly.

The group meets each Monday afternoon, immediately after the Blue Goose luncheon. Next Monday J. F. Deiber of the Hartford will talk on the general coverage contract. The following week J. O. Gill of the Missouri Inspec-



sand for 5 cents or less. Unless the policyholder has several checks, those for less than 5 cents will not be sent out at the present time. This is in accordance with the court order and the policyholders who have a refund of less than a nickel may never be paid, but this money used to pay the expense of the distribution.

#### Heart of America Blue Goose

KANSAS CITY, MO., Oct. 31.—The Heart of America Blue Goose held its regular luncheon meeting on Oct. 29 with an attendance of 60 members. J. O. Gill of the Missouri Inspection Bureau was chairman. T. H. Carleton was appointed chairman for next week. At that time Francis M. Wilson, Democratic candidate for governor of Missouri, has been invited to speak.

#### Iowa Notes

W. P. Dawson, who died recently at his home in Aurelia, Ia., was one of the organizers of the Square Deal Mutual Hail Insurance Association of Des

Moines and was its president at the time of his death.

James R. Grant, for many years engaged in the abstract, loan and insurance business at Boone, Ia., has sold his abstract business to the Kastner Abstract Company, but will retain his loan and realty business.

Byron L. Hoschar, who has had a general insurance agency at Seymour, Ia., for five years, has sold his business there to D. C. Kingery and will become a district manager out of the Des Moines office for the New England Mutual Life.

Donald E. Chilcoate, representative of the Corroon & Reynolds companies, has established offices on the third floor of the Dwight building, Kansas City. Mr. Chilcoate will write business exclusively for members of the Insurance Agents Association of Kansas City.

Burrton, Kan., suffered a fire loss estimated at \$35,000 when flames of undetermined origin swept through a brick mercantile building occupied by a bank, grocery and lodge hall. The assistance of the Hutchinson fire department saved much of the building and confined the loss in the bank to smoke and water damage.

## STATES OF THE SOUTHWEST

### MUST ELIMINATE INSURANCE IS HONORED BY OKLAHOMANS

#### Oklahoma Board Requires Mid-Continent Automobile Club to Drop Such Features From Contracts

OKLAHOMA CITY, Oct. 31.—An order has been made by the Oklahoma Insurance Board requiring the Mid-Continent Automobile Club to eliminate all insurance features from its contracts, issued in Oklahoma. The practice of the club in selling memberships guaranteeing a discount of 15 percent on automobile repair work really amounts to collision insurance said A. L. Roark, secretary of the board.

Advertising that the club will place insurance of all kinds, such as automobile fire and theft, liability, property damage and health insurance for members at a decided saving, was also ordered discontinued. This practice can not be allowed because insurance companies can not legally issue policies of insurance to members of a club any cheaper than to other persons, without violating the anti-discrimination statutes, Mr. Roark explained. A corporation can not act as agent for any insurance companies in Oklahoma, he stated. If the club could act as agent, the law prohibits the division of commissions with non-licensed persons, which is listed under rebating penalties of state laws. The board does not object to life insurance policies written by club members, providing they are licensed agents, the secretary said.

#### PEARCE, PORTER & MARTIN MOVE TO LARGER QUARTERS

The Pearce Porter & Martin agency of Tulsa, Okla., has moved into its new



R. C. TATE, Ardmore, Okla.  
Elected Vice-President of Oklahoma  
Association of Insurers at  
its Annual Meeting

office on the ninth floor of the new 24-story Exchange Bank building, one of the largest business buildings in Oklahoma.

The agency had a formal opening and "open house" to celebrate the occasion, all employees acting as hosts.

W. L. Mooney, vice-president of Aetna Life, was present, as were also state representatives of the several fire

(CONTINUED ON PAGE 38)

## Growth

Reassuring to the agent is the knowledge that the company with which he is a co-worker is moving forward year by year—gaining new thousands of policyholders, becoming even more widely known.

Reassuring to the agent for P.F.&M. is the sound, consistent growth that marks his company's history.

### PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch Street, Philadelphia  
CHICAGO: 209 West Jackson Boulevard  
SAN FRANCISCO: 200 Bush Street  
ATLANTA: 8th Floor, Hurt Bldg.



## ILLINOIS AGENTS

### WOULD YOU LIKE A DISTRICT AGENCY

WITH A STRONG STOCK COMPANY WRITING

### FULL COVERAGE AUTOMOBILE, PLATE GLASS AND GENERAL PUBLIC LIABILITY INSURANCE?

Attractive proposition for good agents—

Desirable territory open outside of Cook County—

Write today for full particulars.

### THE LIBERTY INSURANCE CO.

HOME OFFICE :: DAYTON, OHIO

Assets Over 1½ Millions. Surplus to Policyholders, \$600,000

## MR. INSURANCE BROKER—

Suppose that your client accepts your recommendation and has an appraisal made which discloses the fact that he is underinsured. In that case your recommendation results in better protection for him and more business for you. And that is what happens in most cases when you recommend an appraisal.

### G. C. HETLAGE & Co.

Experienced Appraisers

Planters Building

St. Louis, Mo.

## PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE  
ASSURANCE

THE STATE  
ASSURANCE CO., LTD.

CAR AND GENERAL  
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

New York

**L. B. LEIGH & CO.**

General Agents for  
Arkansas  
Little Rock,  
Arkansas

**COATES & RAINES**

General Agents for  
Arkansas  
Little Rock,  
Arkansas

**C. F. CUNNINGHAM**

General Agent for  
Arkansas  
Little Rock,  
Arkansas

**BRAERTON & FORSYTH CO.**

General Agents for  
Colorado, Wyoming  
and New Mexico  
Denver, Colorado

**COBB & STONE**

General Agents for  
Colorado, Kansas  
Denver, Colorado

**FISH & SCHULKAMP**

General Agents for  
Wisconsin  
Madison, Wisconsin

**J. N. HOBBS**

General Agent for  
Wisconsin and  
Minnesota  
Madison,  
Wisconsin

**THE NECKERMAN AGENCY**

General Agents for  
Wisconsin  
Madison,  
Wisconsin

**REINHARDT WEST & CO.**

General Agents for  
Texas  
Dallas  
Texas

**C. P. HELLIWELL**

General Agent for  
Wisconsin  
Milwaukee, Wis

**GEORGE M. EASLEY & CO.**

General Agents for  
Texas  
Dallas  
Texas

**TREZEVANT & COCHRAN**

General Agents for  
Tex., Ark., La.,  
Okla. and New  
Mexico  
Dallas  
Texas

**ALAMO UNDERWRITERS GENERAL AGENCY**

General Agents for  
Texas  
San Antonio, Texas

**THE T. E. BRANIFF CO.**

General Agents for  
Oklahoma, Texas and  
Kansas  
Oklahoma City,  
Oklahoma

**L. N. EWING & CO.**

General Agents for  
Oklahoma  
Tulsa, Oklahoma

**AMERICAN AGENCY**

General Agents for  
Oklahoma  
Tulsa, Oklahoma

**T. A. MANNING & SONS**

General Agents for  
Texas and Arkansas  
Dallas Texas

**DEXTER BROS. & WHEELER**

General Agents for  
Texas  
Dallas,  
Texas

**CRAVENS, DARGAN & CO.**

General Agents for  
Texas  
Houston, Texas

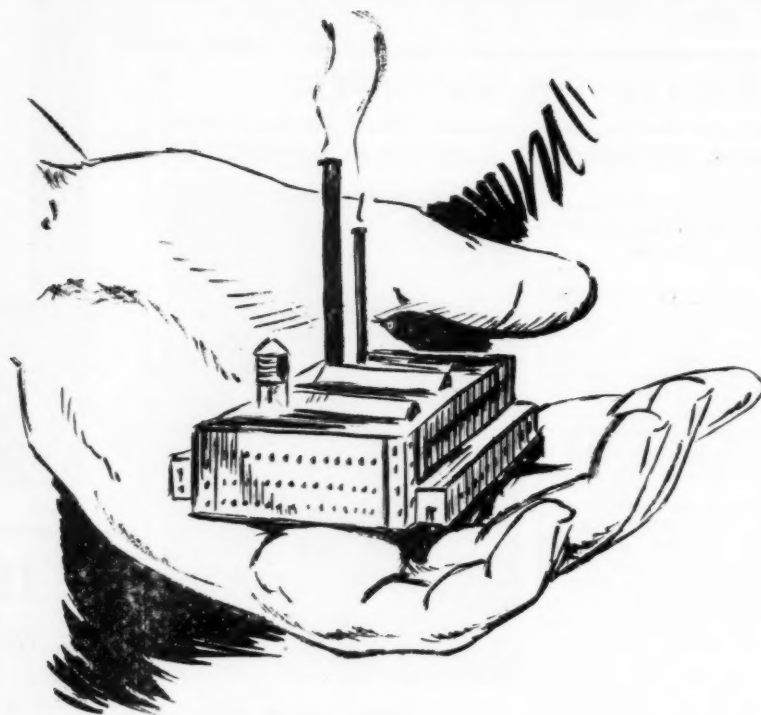
**JOHN S. ALDEHOFF & CO.**

General Agents for  
Texas  
Dallas, Texas

**W. L. & CO.**

General Agents for  
Tenn., Va., and  
Miss. Tenn.

# No Risk is too Big for the General Agent



If a general agency is as big as it is to the company.

But such a big agency can perform a valuable service to the company.

When a large agent obtains facilities for obtaining specialized service is impossible is practically impossible.

So when a big risk is a large line of business capacity—when help is there with help.

# NOT A WEAK LINE



**DALY GENERAL AGENCY, INC.***General Agents for Colorado, Wyoming and New Mexico***Denver, Colorado****WAKEFIELD, MORLEY & CO.***General Agents for Connecticut***Hartford, Connecticut****ELLIS & KRAETSCH CO.***General Agents for Iowa***Des Moines, Iowa****STANDART & MAIN***General Agents for Colorado, Wyoming and New Mexico***Denver, Colorado****A. H. TURNER***General Agent for Va., N. C., S. C., Ga. Fla., and Ala.***Atlanta, Georgia****MILLER-STUDEBAKER AGENCY***General Agents for Kansas***Topeka, Kansas****KANSAS UNDERWRITERS***General Agents for Missouri, Kansas and Oklahoma***Wichita, Kansas****BLACK, ROGERS & CO.***General Agents for Louisiana***New Orleans, Louisiana****SNYDER BROS. GENERAL AGENCY***General Agents for Kentucky and Tennessee***Louisville, Kentucky****L. MONROSE & SONS***General Agents for Louisiana and Mississippi***New Orleans, Louisiana****HARRY S. KAUFMAN, LTD.***General Agents for Louisiana***New Orleans, Louisiana****CHAS. R. RILEY & CO. INC.***General Agents for Louisiana and Mississippi***New Orleans, Louisiana****REYNOLDS BROTHERS***General Agents for Nebraska, Colorado and Wyoming***Fremont, Nebraska****J. H. GOOD***General Agent for Missouri and Kansas***Kansas City, Missouri****JAS. B. ROSS***General Agent for Louisiana and Mississippi***New Orleans, Louisiana****HARRY S. KAUFMAN, LTD.***General Agents for Louisiana***New Orleans, Louisiana****CHAS. R. RILEY & CO. INC.***General Agents for Louisiana and Mississippi***New Orleans, Louisiana****B. DUKE CROUCH & CO.***General Agents for Tennessee***Nashville, Tenn.****E. J. HEAVNER & CO.***General Agents for Oklahoma***Tulsa, Oklahoma****A. J. LOVE & CO.***General Agents for Nebraska and Iowa***Omaha, Nebraska****F. G. TUPPER***General Agent for Louisiana and Mississippi*  
**New Orleans, Louisiana**

# to the General Agent's Agent

General Agency arrangement were not as profitable to the local agent to the company, then the institution would soon fall apart.

which is the situation. Not only does the General Agency render a valuable service to the companies, but it renders equally valuable service to the local agent.

When a local agent has a General Agent behind him for instance, his capacity for obtaining large lines—for rendering greater, more specialized service—is immeasurably enhanced. The capacity of his agency is practically limitless.

When big risks come his way or when a chance to obtain a large line presents itself, the local agent has no worries about it—when help is required to land the line—his General Agent is there to help also.

(TO BE CONTINUED)

# LINK IN THE CHAIN

# The Tennessee Association of Insurance Agents

GEO. A. CALDWELL, *President*  
Knoxville

MISS JULIA HINDMAN, *Secretary-Treasurer*  
Nashville

Composed of a large majority of the local agents of the state asking others of like character to join in protecting their own business.

*In line with all National Association affiliations and activities*

## NOAH

Did Not Need the Ark Until It Rained  
He Had to Build it in Dry Weather

## YOUR CLIENTS

Will Not Need Endowment at Age 65 Complete Protection Insurance Until They Are Sick, Injured or Old

If They Have It Then, You  
Will Have to Sell It to Them

## NOW

**Interstate Life & Accident Co.**

Home Office, Chattanooga, Tenn.

*Open Territory in Arkansas, Georgia and Tennessee*

## You Can't Build a House With One Brick . . .

It takes many bricks—one supporting the other—to build a house. The same applies to an insurance institution. It is the banding together of many organizations that creates a structure which is mutually beneficial to all.

The fact that 80% of the insurance business is being done by members of the State and National associations of Insurance Agents shows that the progressive agents find membership worth while.

See your State secretary at once and join this goodly company of "Insurers."

### *Nashville Members*

GALE, SMITH & CO.  
Independent Life Bldg.

HINDMAN & BROCK  
Chamber of Commerce Bldg.

LOVENTHAL BROS.  
216 Union Street

W. P. RUTLAND & CO.  
154 4th Ave., North



# The National Underwriter

THIRTY-SECOND YEAR  
NUMBER 44

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, THURSDAY, NOVEMBER 1, 1928  
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

TENNESSEE AGENTS  
NUMBER

## Live Issues Before Tennessee Agents

Controversy Over Promulgation of New Rules Attracts Especial Attention—G. A. Caldwell Reelected President

### Meeting Was Notable

THE annual meeting of the Tennessee Association of Insurance Agents at Chattanooga was a notable one in many particulars. There was an unusually large attendance, largely due to the controversy that has arisen between the companies and the local agents over the promulgation of rules and forms relating to unprotected property and to dwellings everywhere. The Memphis and Chattanooga agents were particularly aroused over these rules and did not hesitate to express their views. This issue brought quite a managerial contingent from Chicago to the meeting. A committee of the association was appointed to deal with the company committee. They had a number of sessions endeavoring to iron out the difficulties and bring about a better understanding. As an attendance stimulator promulgation of new rules is a distinct success.

### Convention Program Unusually Strong

The program this year was unusually strong. There was a brilliant battery of talent. Each address was well conceived, well delivered and well received. Altogether the Tennessee program this year was of a distinctly high order and would have been a credit to a National association program. The topics covered were varied and the treatment showed profound thought.

The decision on part of the Tennessee association to exclude from membership all those representing companies that had been declared inimical to the National association's basic principles will result in the retirement of some very excellent men from the state body. It was by no means an easy task to put over this amendment to the constitution and by-laws because there were a number of people decidedly opposed to the action.

### Claim Neal Bassett Helped at Memphis

It seems that President Neal Bassett of the Firemen's was instrumental in strengthening the Memphis local board. President Bassett took up an outside agency giving him a good volume of business, forced his companies in line with local board rules and saved the day for Memphis. Owing to this, the local agents of Memphis have felt rather kindly toward President Bassett. One of the strongest opponents to the exclusion of Firemen's agents was James D. Collier of Memphis, who represents the Firemen's and has long been a member of the Tennessee association.

Another factor that has its bearing in Tennessee is the attitude of the National Union toward unprotected

### NEW OFFICERS ELECTED

#### PRESIDENT

George A. Caldwell, Knoxville

#### SECRETARY-TREASURER

Miss Julia Hindman, Nashville

#### VICE-PRESIDENTS

F. J. Thornton, Pulaski; H. W. Spencer, Chattanooga; Collier Crichlow, Murfreesboro; John F. Leigh, Memphis; H. A. Townsend, Halls; A. A. Coventry, Maryville; S. J. Holly, Ettowah; C. J. Faulkner, Clarksville; Howell A. Bransford, Union City; W. M. Harris, Johnson City; L. M. Ross, Gallatin.

Place of next meeting—Nashville.

### Story of the Meeting

ED BASS, mayor of Chattanooga, extended the welcome on behalf of his city to the members of the Tennessee Association of Insurance Agents and others attending the meeting there. He said that he extended the courtesies of the police department especially to Caesar Thomas, state agent of the North America. J. M. Kemp, president of the Chattanooga Insurance Exchange, gave the welcome for that body. He said that the members were at hand to serve visitors in every possible way. Samuel M. Williamson of Memphis responded to the welcome, saying that a good understanding always makes strong friends.

Miss Julia Hindman, secretary and treasurer, in her report urged greater cooperation all along the line, the reclassification of members in order that there might be greater revenue and an installation of the militant spirit throughout the length and breadth of the state.

### President Caldwell Gave His Report

George A. Caldwell of Knoxville, the president, who made a most excellent impression in his work, is acknowledged as one of the strong younger men of the organization. He said that the great aim of the association is to preserve the agency system. Agents have in their power the creation of favorable public opinion. This should be done at all times. Mr. Caldwell said that more good local boards are needed in Tennessee. He pointed out also the necessity of strengthening the agency qualification law. Mr. Caldwell took the position that the bank agent has no place in the insurance business. Another point he made that in the writing of chain store business or any other line where foreign brokers control the business, the resident agent in the county in which the property is located should receive at least 10 percent of the commission. He came out very strongly against compulsory automobile liability insurance.

Mr. Caldwell took the position that in the promulgation of new practices or rates, agents should have advance notice so that they will be amply prepared to explain to the customers just what they are and why such action is necessary. Where the public gets the information at the same time as the agents it is most embarrassing to the agents to try to explain the action because they are not informed.

### Carl E. Ingram Gave Very Able Address

There was a strong battery of speakers at the first session. Carl E. Ingram

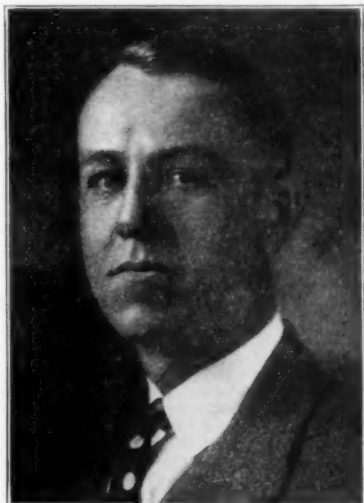
business. It seems the National Union has some very good agents in the state that are writing almost exclusively unprotected property. It has trained these agents so that their business is more or less selected. They endeavored in times past to get other companies to write their business but failed. Therefore, these men naturally feel that the National Union is the foundation of their business. If they give up the National Union they cannot get other companies. Hence they will retire from the Tennessee association.

### Management Felt Action Is Necessary

The officers and executive committee of the Tennessee association, however, felt that the time had come when it must insist on the qualification for

membership laid down by the National body. W. Eugene Harrington of Atlanta, who has just retired as National president, was present at the executive session when the issue came up. Mr. Harrington explained very clearly why the National association felt obliged to assume a militant attitude in having as its members only agents that represented companies that had not violated the principles of the organization. He said that the National association had placed a ban on the Firemen's Girard, Northwestern National and National Union. Therefore, he said, it was up to each state association to decide what it would do. If it did not exclude agents representing these members then the privileges of the National association would be withdrawn. The slogan of

(CONTINUED ON PAGE 30)



GEORGE A. CALDWELL, Nashville  
President Tennessee Association



MISS JULIA HINDMAN, Nashville  
Secretary Tennessee Association

# Tennessee!! Here We Come!!

The members of the Chattanooga Insurance Exchange took particular pleasure in having the annual meeting of the Tennessee Association of Insurance Agents held in their city this year. Chattanooga agents are loyal to the Tennessee Association and the National Association of Insurance Agents.

Chattanooga agents believe in upholding and strengthening in every possible way the American Agency System which has been the great bulwark of American insurance development.

If at any time we can serve the members of the Tennessee Association of Insurance Agents or the members of any other state association we will be at your command.

## MEMBERS OF CHATTANOOGA INSURANCE EXCHANGE

Amster & Crimm, James Building  
Brantley & Smartt, Keystone Bldg.  
Brown & Bro., C. V., 109 East Eighth Street  
Chattanooga Insurance Agency, Hamilton Nat'l Bank Bldg.  
Colburn, Whitney, Provident Building  
Daniels, Preston S., 2110 McCallie Ave.  
Evans-Fletcher Co., 114 East Seventh Street  
Ferguson Brothers, 102 East Seventh Street  
Fidelity Trust Co., 720 Cherry Street  
Grady, Alexander & Walter, Hamilton National Bank Bldg.  
Huffaker-Coulburn Co., Hamilton National Bank Bldg.  
Hon & Taylor, 704 Cherry Street  
Hershel & Keith, Chattanooga Savings Bank  
Harris, Bradley & Hunter, Chattanooga Savings Bank  
Kemp & Gates, 115 East Eighth Street  
Love & Oliphant, Chattanooga Bank Bldg.  
Lookout Realty Co., 701 Provident Bldg.  
Lynch & Co., George, Hamilton National Bank Bldg.  
Lee, J. W., Chattanooga Savings Bank  
Lackman, Stanley & Co., James Bldg.  
McGee, Pryor & Lewis, James Bldg.  
Moyses, Sol & Co., James Bldg.  
Morrison Brothers, James Bldg.  
Overbay, R. R., Chattanooga Bank Bldg.  
Payne, J. M. & Co., Keystone Bldg.  
Pickens, Mrs. Carrie, 710 Walnut Street  
Ragon, Cohn & Ragon, First National Bank Bldg.  
Sloan, Irvin & Sloan, Volunteer Bldg.  
Spencer-Dowler Co., James Bldg.  
Sibold & Co., Hamilton National Bank Bldg.  
Server & Strahle, Pound Bldg.  
Shelton & Stovall, Hamilton National Bank Bldg.  
Thomas & Keese, 409 Provident Bldg.  
Thatcher, W. C. & Son, First National Bank Bldg.  
Trotter & Boyd, 18 Provident Bldg.  
Watkins, J. E. & Co., James Bldg.

*"Welcome To Dynamo of Dixie  
Insurance Exchange of Chattanooga"*

## RESOLUTIONS ADOPTED

We look forward with anticipation and delight to the reappointment of A. S. Caldwell as commissioner of insurance; he having served the state in such an acceptable and capable manner in the duties devolved on him in the past.

We wish to emphasize the necessity of organizing county boards wherever possible; this to be done through activities of the vice-president serving in the grand divisions of the state to the end that the state association membership may be increased and that we may secure more general cooperation between local agents operating in the same county.

The necessity of increasing funds for the operation of our state association being of such vital importance, it is urged that each member voluntarily report to the secretary, Miss Julia Hindman, the agency premiums (both fire and casualty) so that an accurate record may be made of dues payable by each agency in accordance with the association by-laws.

We urge that members immediately present to their respective legislative representatives the important amendments to our present insurance laws that may be suggested by our legislative committee, due consideration being given to an improvement in our agency qualification law and other measures to improve the now deplorable loss ratio existing at this time in our state. We will appreciate the active cooperation of our commissioner in this regard.

That we recommend to the association the active cooperation of their members in the five-year development program of the National association which contemplates an increase in the strength influence and prestige of the National association to resist encroachments on the American agency system, to advance the interests of all members as well as agency organizations, to remove public prejudice and sales resistance against insurance and to contribute to the public service of the business.

We again wish to express our thanks to the state and special agents for their continued interest in promoting the success of our association and assure them that their continued work in our behalf is appreciated.

The increasing tendency of large universities and colleges in instituting courses in the various forms of insurance is an action of which we are justly proud, feeling that this will in time lead to the elevating of insurance to a plane equal to that of other learned professions.

Resolved that the president of our association be empowered to name a committee of five from the various sections of our state to be known and function as a conference committee, whose duties shall be to give proper presentation of the views of the agents of the state in matters affecting any changes of importance relating to the policy contract. This committee's power shall be limited to approval of our executive committee before becoming binding on our membership. It is expected that the companies transacting business in this state will cooperate in naming a similar committee for future conferences when necessary.

We express our thanks to F. B. Quackenboss, manager of the Tennessee Inspection Bureau, and his corps of assistants, and J. F. Lee, superintendent of the Tennessee Audit Bureau, for being in attendance with us at this meeting and are not unmindful of the increased work being handled by their respective offices at this particular time.

That the Chattanooga Insurance Exchange be sincerely thanked for their very generous hospitality extended to all in attendance at this convention, and for the splendid program of entertainment and amusement that has been furnished.

The following amendment to our constitution and by-laws is recommended by the executive committee of our National Association of Insurance Agents and passed by the September meeting of that association:

"It is provided, among other things, by the constitution of the Tennessee Association of Insurance Agents that no member of this association shall represent any insurance company as agent, when in the judgment of our executive committee and the executive committee of the National Association of Insurance Agents the practice of such company is intentionally and continuously in violation of our principles.

"The executive committee of the Tennessee Association of Insurance Agents recognizes the free right of all agents to represent any insurance company legally admitted to do business in this state, and the free right to elect between membership and non-membership in any voluntary association; but insists that all who seek membership in this association shall recognize the principles declared to be necessary for the preservation of the American agency system, and comply with our constitutional requirements."

## Chattanooga Agents Were Official Hosts

J. M. Kemp, president of the Chattanooga Insurance Exchange, was the chief in charge of the arrangements committee. He was assisted by some very active men who were present at all times. The Chattanooga agents outdid themselves in hospitality. The most important committee were as follows:

**General**—Stanley Lackman, H. W. Spencer and J. M. Kemp.

**Dinner**—H. F. Wenning, chairman; N. S. Sloan and J. B. Ragon, Jr.

**Attendance**—H. W. Spencer, chairman; Herbert Oppenheim, Geo. C. Mason, Wm. S. Pryor, Arthur Sibold, J. E. Walker, R. R. Overbay and Jack W. Witherspoon.

**Reception**—J. M. Kemp, chairman; N. H. Grady, vice-chairman; J. Walter Love, Fred Shelton, Tracy Lewis, R. L. Bilderback, James J. Cohn, J. M. Payne, Abe Brown, J. W. Lee and Sam Amster.

**Dance**—Harry Spencer, chairman; Hugh Huffaker, E. Brooks Brantly, W. C. Thatcher and W. M. Morrison.

## Managerial Talent at Tennessee Meeting

There was a strong battery of managerial talent at the Tennessee convention, a greater number of executives being present than at any previous meeting. This was largely due to the issue over the recently promulgated forms. There were present John F. Stafford, manager, Sun; Clem E. Wheeler, assistant manager Hartford Fire; Carl E. Ingram, assistant manager, Westchester; Harry A. Yates, assistant manager, Aetna, who formerly traveled for the Hartford Fire in Tennessee; J. F. Donica, secretary America Fore companies; W. M. Frink of New York, western general agent Norwich Union. Russell D. Hobbs of Chicago, assistant manager of the Western Actuarial Bureau, was present.

You can't believe all you hear, nor can you repeat it.



# President Reviews Association's Work

By GEORGE A. CALDWELL

THE most important subject to the insurance agents in this state and this nation today is the benefits derived by all of us from the wonderful work of our National Association of Insurance Agents. Do you realize that without the work of that small body of men who have held this association together your business and my business would be something other than insurance today. Without an agency organization the principal part of the insurance written today would be state insurance. Our offices would be flooded with company annexes and underwriters. Bank agencies would be the rule and our expirations would be the property of whoever the company wished to have them.

Our National association has designated this as the business-building year. They are bending every effort in the direction of furnishing its members with some definite business-building program—some direct beneficial contact that will

I wish to present is the coextensive membership. Under our constitution we prescribe the qualification for membership in our state association. By adding a clause as follows we can control a question of considerable moment with some of us: "And he shall be a member in good standing of his local board where there is a local board in his community to which official recognition has been given by our executive committee."

Our National association has declared the National Union in violation of the principles of our association. It is up to our state association at this time to back up the national executive committee and I hope it can be done by resolution this session.

Our legislative committee for the coming year will have a difficult job on their hands and it will take considerable self sacrifice on the part of these men to put over the legislative program we should have. Legislation is slow in movement and unless we get together and decide on a definite program to be presented to our legislature in January we will never get anywhere with the laws we need. We are in position this year with the aid of our very able insurance commissioner to get the real backing we need and I believe with his assistance we will be able to have some laws enacted that will be of great benefit to our membership. We may not get everything we want at this session of the legislature but let us present the strongest laws we can ask and if we continue to present those laws a few years we will by education get what we need. First and foremost, we need an honest to goodness agency qualification law. The one we now have was dictated by the unqualified agent who wanted to continue to misrepresent the insurance company grasping for business. Let's try to get a law that will require the applicant for an insurance license to be qualified in insurance knowledge. The public is entitled to protection and they have not received it in the licensing of agents in our end of the state and I know it applies in every section. I do not want what I say here to be construed in any way as a criticism of our insurance commissioner. He has done wonders with the law now in force, but what can we expect him to do when the only law he has to back him up is that the applicant must be of good moral character.

## Examination and Licensing of Agents

We believe in a just and equitable method of arriving at the fact as to whether a person is capable of entering the insurance business. An applicant should know the fundamentals of insurance. That is, what insurance is for and why—he should possess a necessary minimum knowledge about forms and conditions of the kind of insurance business he intends to engage in, in order that he should not ignorantly misrepresent himself to the public. He should have the requisite knowledge to be an advisor to his client and be able to give sound advice on the kind of insurance needed. How is that going to be accomplished? I am frank to say I personally feel we are entitled to a board of examiners to pass on the new agent's qualification. The lawyers are protected by the state, which holds examinations at regular intervals in separate parts of the state. Men of their own profession pass on their qualification. Other professions are treated in the same way, and why should we ask for any less than has been given these. It is true it means a radical change in our profession. The life agents will have to be separated from the fire and casualty men. If they want to write life

insurance let them ask for a license to write life. If they want to do both let them qualify for both. The part-time agent should not be tolerated except in very small communities or when he is studying to become a full-time solicitor. The bank agent has no place in our profession. His is a business of entirely different character and he should stick to it.

## Bank Agencies Continue to Thrive

It is with extreme pleasure that I read of the action of Commissioner King of South Carolina regarding bank agencies. We all realize the unfairness, the impossibility of just representation by a financial institution of insurance companies and yet they continue to spring up at regular intervals. Our own law provides or should provide that no special favor or advantage shall be given as an inducement to control the insurance and yet we have policies taken away from us every day through the favor of a loan. If we do not have laws to stop this then let's get them; if we do have such laws then let's enforce them.

Another law I would like to see on our statutes for the benefit of the small town agent is one providing for the payment of a commission to the agent residing in the county in which the property insured lies and that that commission be at least 10 percent of the premiums, and that the commission be paid to said agent by the company in which the business is placed. We are all suffering from the inroads of the foreign broker writing chain store insurance. Let's make the company writing that business responsible to their local agent in the county where the chain store does business. This can be accomplished by a very simple amendment to our present laws.

Nearly every legislature that has met in the past two years has had compulsory insurance laws to contend with. We will probably have this with our own this year and we should be prepared to meet them. Our association should go on record now as being unalterably opposed to any law of this character. We believe it wrong in principle and impossible in practice and the sooner we take a definite stand on the subject the better off we will be.

## Making Rate Changes Without Consulting Agent

It is with sincere regret that we notice the attitude of the companies to make radical rate changes without first consulting with the agents. We are the points of contact between the companies and the public. If a rate is increased the agent is the man the companies expect to step into the breach and put the increase over. How much better this could be done if we were given some idea of the question beforehand. That is, given some advance information as to the why and wherefore of the rate change before it becomes public property. The companies cannot expect the wholehearted cooperation of the agents in rate changes and they will not get it so long as they persist in forcing rate changes down the throat of the agent and the public at the same time.

I am confident we can both be much benefited by cooperation in this respect. I realize the companies have a difficult task but that difficult task could be made easier by a franker attitude on the part of both parties. As I stated before, the agent is the point of contact with the public and the public must be satisfied that they are receiving fair play or they will very soon all be in the mutuals or other methods of securing coverage.

The agent must educate the public. The agent needs the assistance of the companies in furnishing correct information.

In our recent changes in Tennessee the agents were requested to put in force radical changes in form and rates that even the special agents of the companies were not familiar with 15 days after the date the changes were supposed to take effect. This was not the fault of the special agent. He had had no opportunity to study the changes before they were made public property, nor had any agent and in fact many of the representatives of the Tennessee Inspection Bureau were unfamiliar with what was asked until the changes were public property.

Our relationship with the insuring public is our living. The favorable contact we make is the thing that produces business for the companies. In 99 cases out of 100 if the agent is familiar with the reason for the increased rate



J. M. KEMP  
President Chattanooga Board

help build your business and my business and that will enable us to more efficiently serve the public. Are you willing to devote a little of your time and money to help them do this?

It is with sincere regret that I have to report that Tennessee fell down in the 10 percent increase in membership called for by the National association. It is true when this campaign was started we had a membership in Tennessee above the average but that does not excuse us from putting the increase over. The outside members are in our state and if we will go after them I feel confident we can get the required number and when we do I believe it will relieve our financial worries. The fact that this association is working with every effort to preserve the very business out of which they get their living should be argument enough to bring them in.

I think another excellent method of building our membership is through the establishment of local boards. This should be worked systematically and it is my desire to see some step taken this year to start that work. I would like to recommend to the convention the election of an executive vice-president whose sole duty would be the increase of membership and let that man appoint his own assistants in the work. I see nothing in the constitution to prevent this.

Speaking of constitution brings me to the question of backing up our National association in what they have done. The first point they recommend and which



A. B. PASCHALL, Nashville  
State Manager, Travelers Fire

he can satisfy the assured and under the analytic system of measuring fire hazards it is easy to show the reason for rate increase. Just give us a chance in advance of the publication of these rates to familiarize ourselves with the proposed changes.

Our association is not in the best of financial condition. We are handicapped by the lack of necessary funds to carry on the work needed. I am appointing a finance committee to act at this convention, which I want not only to check the receipts and expenditures of the association but to go further—figure out the expenditures needed for the coming year and make recommendations to the convention as to whether there is going to be sufficient money to carry on or if not, recommend some means of increasing our yearly income to take care of expenses.

I wish to urge our association that we take steps to organize local boards wherever we can. The local board is the greatest builder of membership we can find. Our local boards can assist in preventing the appointment of unworthy or incompetent agents. The companies are coming to the viewpoint that an incompetent agent costs them more than he is worth and as a rule the good companies are glad to consult the local boards in establishing new agents. This, however, must be controlled through the organization of your local board and you have got to let the special agent visiting your office know how you feel about the appointment of many agencies.

# HALL & BENEDICT

Nashville, Tenn.

An Insurance Institution  
—Established in 1900  
—Equipped to render  
insurance service

## TENNESSEE GENERAL AGENTS

Atlas Assurance Company of London  
Atlas Underwriters of London  
Automobile Insurance Company of Hartford  
Fire & Marine Underwriters of Hartford  
Georgia Home Insurance Company  
Minneapolis Fire & Marine Insurance Company of  
Minnesota  
State Assurance Company of Liverpool  
Virginia Fire & Marine Insurance Company of  
Richmond

## MIDDLE TENNESSEE GENERAL AGENTS

Aetna Life and Affiliated Companies of Hartford  
(Liability and Accident Department.)

## AETNA SERVICE

Profit Is the Result of Service  
Rendered

## SOME SNAP SHOTS TAKEN AT THE TENNESSEE AGENCY CONVENTION

A telegram was read from R. P. Devan of Charleston, W. Va., president of the National Association of Insurance Agents, extending greetings and good wishes.

C. J. Lingenfelder of Chicago, manager of the brokerage department of the America Fore companies, was present the last convention day and then took a trip through the state.

B. C. Gross, chairman of the grievance committee, in his report said that the companies had cooperated very effectively in any bank agency issue in the state.

Fred L. Nesbitt of Atlanta, branch manager of the Fidelity & Deposit, who has charge of eastern Tennessee, was present with Mrs. Nesbitt. Mr. Nesbitt is one of the popular surety men of the south. Mrs. Nesbitt is a delightful and charming woman who makes friends wherever she goes.

Frank G. Snyder of Louisville, head of Snyder Brothers general agency, attended the convention.

The Chattanooga "Times" transposed some of the prominent convention people in the cuts that it ran in a column headed "What Should Be Done?" Four people were interviewed as to what should be done to cut down Tennessee losses. Allen Fisher of Memphis appeared in the paper as Clem E. Wheeler of Chicago, assistant manager of the Hartford Fire. Charles B. H. Loventhal of Nashville appeared as Allen Fisher. Clem E. Wheeler appeared as Mr. Loventhal. J. M. Kemp, president of the local board at Chattanooga, got through unscathed.

After the close of the afternoon session Thursday some visitors were taken for a ride through the scenic sections of the community and some played golf at the Chattanooga Country Club.

Albert Frierson of Shelbyville was half fowl and half good fresh herring. In other words, he was a local agent at the time of the convention but just a week later he was to take up his new duties as special agent of the Great American fleet. Mr. Frierson is a former president of the Tennessee association and a very popular and able man. In the discussions over the new rules he maintained a discreet silence.

Frank S. Dickson, who made such a great hit as an orator, maintains his voting home and abiding place at Ramsey, Ill., in the southern part of the state but he is associated with the legal department of the National Board with headquarters in Chicago. When he was a comparatively young man he represented the 23rd Congressional district of Illinois in Congress. He has been in military work for 25 years. He started in the Spanish-American War, participated in the World War, and for 14 years was adjutant general in Illinois, serving under Governor Deneen, Governor Dunne, Governor Lowden and one year under Governor Small. Then he went to Washington to become assistant director of finance of the Shipping Board & Fleet Corporation.

The banquet was given by the Chattanooga Insurance Exchange, all visitors being guests. President George A. Caldwell was master of ceremonies and introduced those at the speakers' table although there was no speaking. Dancing followed the dinner. The Chattanooga agents' hospitality was most generous.

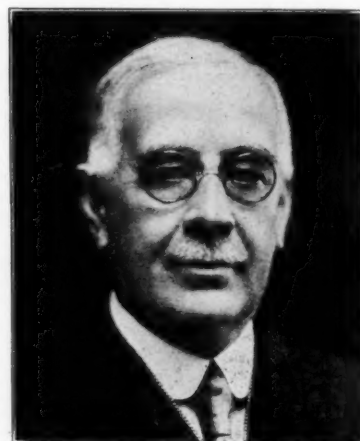
There were several casualty and surety men attending the convention. Frank B. Dancy, Jr., Baltimore, one of the assistant agency superintendents of the United States Fidelity & Guaranty; John Brady of Nashville, state manager of the National Surety; J. H. Holmes, one of the agency men of the Aetna Casualty from Hartford; Col. R. Hill Carruth, Memphis, manager of the Fidelity & Deposit; Fred L. Nesbitt of Atlanta, manager of the Fidelity & Deposit; Manager H. H. Davis of Louisville,

and W. K. Lownsbey, bond man of the Constitution Indemnity; C. A. Spencer of the Georgia Casualty; S. B. Wright of Atlanta, southwestern manager of the Constitution Indemnity, were present.

There were 16 members present from Memphis, making a strong delegation accompanied by Mrs. L. H. Patterson, assistant secretary.

There was a large and able contingent of fire insurance field men present headed by Richard E. Bolling, president of the Tennessee Field Club. They were all interested spectators at the various sessions.

F. B. Quackenboss of Nashville, manager of the Tennessee Inspection Bureau, always attends the Tennessee meetings and was accompanied by his branch managers. There were present in addition to Mr. Quackenboss, G. F. Taylor, assistant manager; C. V. Narred, super-



ALBERT S. CALDWELL  
Tennessee Commissioner

intendent of the service and engineering department, Nashville; C. F. McLaughlin, branch manager at Nashville; C. D. Beardsley, manager at Knoxville; Ira P. Jones, 3rd, manager at Chattanooga; J. H. Norton, manager at Memphis; Andrew Jackson Wild, Jr., manager at Johnson City; C. N. Richardson, manager, Jackson.

The ladies' committee was very active at the Tennessee meeting although there were few lady visitors. Mrs. J. M. Payne was chairman, associated with her were Mrs. J. M. Kemp, Mrs. N. S. Sloan, Mrs. Charles Walline, Mrs. Anne Grady, Mrs. Claude Alexander, Mrs. Henry Trotter, Mrs. Pickens.

## MEETING OF TENNESSEE AGENTS IS NOTABLE ONE (CONTINUED FROM PAGE 33-A)

the National association hereafter will be membership only for agents representing friendly companies.

George A. Caldwell of Knoxville, who has served the organization as president for the last year, was unanimously re-elected. He is an able, strong young man who is one of the influential forces in his state. Miss Julia Hindman of Nashville naturally was reelected secretary, she having held that office for many years. Without Miss Julia the Tennessee association would be without a rudder.

## Convention Committees

President Caldwell appointed the following committees: Auditing—George Y. Mason, Chattanooga; Victor Klein, Knoxville; W. I. Edwards, Nashville. Resolutions—Charles B. H. Loventhal, Nashville; N. H. Grady, Chattanooga; J. T. Wellford, Memphis. Nominating—P. S. Daniel, Chattanooga; I. G. Chase, Nashville; J. J. Conroy, Clarksville.



## Story of the Tennessee Meeting

(CONTINUED FROM PAGE 33-A)

of Chicago, assistant western manager of the Westchester, made a hit in his talk. He said that the basic quality of a successful agent is salesmanship. Most agents desire to increase their knowledge so that they can become more efficient. He said that the great growth of insurance is due to the activity of the agent. He declared that there is no business in which the producers are so well informed as insurance. A majority of agents, he asserted, realize they cannot be merely commission seekers and maintain the reputation built up in the business for the last hundred years. The agent must appreciate his responsibility to his company as well as to the customer. He said that the American agency system has done more to advance insurance to its high standards than any other factor. Mr. Ingram took the position that the business needs a closer acquaintance between the agents and company men. There should be a frank discussion of mutual problems because the interests are common.

### Col. Carruth Spoke on Suretyship

Col. R. Hill Carruth of Memphis, southwestern manager of the Fidelity & Deposit, gave a talk on suretyship. Colonel Carruth put over his message in most excellent style. He is a forceful speaker and his thoughts are clear cut. He brought out the fact that insurance and suretyship appeal to a wide variety of talent. In his talk he emphasized the desirability of agents giving some time to contemplation when the typewriters are silent and the office is still. In such periods he claims there is an opportunity for constructive thinking. At the close of his talk President Caldwell said that he appreciated what

Colonel Carruth said as he was the bond man in his agency at Knoxville.

### Harrington and Paschall Were Morning Speakers

W. Eugene Harrington of Atlanta, who recently retired as president of the National Association of Insurance Agents, made a great hit in his talk in which he expounded the doctrine of the National body. A. B. Paschall of Nashville, who is the state agent of the Travelers Fire, represented the field men. Mr. Paschall is one of the strong field workers of the state. He referred to insurance as a business of huge proportions. Conditions are constantly changing and he declared that insurance must keep abreast with the times.

### Henry Swift Ives Gave Excellent Talk

At the afternoon session Miss Julia Hindman introduced Henry Swift Ives of Chicago, vice-president of the Casualty Insurance Clearing House. Mr. Ives always puts over a substantial, helpful address. He stated that there must be some underwriting profit in insurance or the time will come when a very drastic readjustment of the business must be made. He declared that little has been done to break down public indifference, hostility and ignorance to insurance. There is often found a complete lack of understanding on part of the premium paying public. Mr. Ives said that he thought the use of the word "casualty" in referring to its class of business is unfortunate because people do not understand just what it means. He said that the word is too general and is not descriptive.

The agent, he said, is the key to any program of public relations. The cam-

paign along that line must be built up about them. He said the cooperative insurance concerns have made inroads because they have capitalized the ignorance of the public and caused suspicion by stating that stock companies belong to the "trust." He said that one disloyal agent can do great harm which a whole battery of public relations experts cannot overcome. He said that what insurance today most needs is the aggressiveness of intelligence. It is not sufficient to have people in the business loyal to it, but he said there should be exemplification of dynamic loyalty. He said that insurance service requires knowledge and training. Some agents, he declared, sell but do not serve.

### Allison Spoke for the Business Press

On Thursday morning there were three set speakers. Young E. Allison, Jr., of Louisville, executive vice-president of the "Insurance Field," in his talk said that the insurance people in planning a public relations campaign must start it at home, that is, must take into consideration the local agents. If the agents are ignorant of what is being done the missionary efforts will not get very far. The trade insurance papers, he said, should keep the agents informed. A wide-awake agent represents the business in his community. Mr. Allison held that a branch office cannot take the place of the independent agent in his community. The public is interested not so much in insurance as in the insurance man. When institutional advertising is started it will stimulate many questions. Necessarily advertising copy must be brief. Agents must answer questions and they must supplement the advertising copy. Public relations advertisements must be brief or they will not be read. He said that agents therefore must be informed, be intelligent and must be prepared to carry through any program that is decided on. The trade insurance papers must realize their re-

sponsibility in keeping the agents properly informed. The agents, of course, will read what the outsider will not concerning insurance. Mr. Allison said that a public relations campaign must coordinate all departments of insurance.

### Caldwell and Dickson Were on the Program

Insurance Commissioner Albert S. Caldwell was the next speaker. Mr. Caldwell has made a most excellent supervising official and the agents hope he will be reappointed following the election next month. He always takes the agents into his confidence in his comments on Tennessee insurance-wise from the standpoint of his office.

The last speaker, Frank S. Dickson, of Chicago, who represented the National Board was a great surprise. General Dickson is small in stature and his physical appearance gives no indication of the power of his eloquence and the magnetism of his voice. He captured the audience by storm. He was witty, full of sentiment, philosophical and wise. At the close of his address he was given a real ovation. General Dickson took the position that the administration of law is more important than the substance of law. He said that wise administration should be the paramount feature. Every hostile law passed, he said, can be traced to some prejudiced person.

### Need for Explosion Insurance

Oil burners are becoming more and more popular in residences, apartment buildings and elsewhere. As is known, there is a certain amount of explosion hazard connected with all these burners. This makes an excellent opportunity for local agents to make a canvass of owners having oil burners and show the value of carrying explosion insurance. Fuel oil naturally has an explosion hazard from which it is impossible to escape.

# Memphis Agents

## J. F. Dickinson & Co.

*All Kinds of Insurance*

72 UNION AVENUE MEMPHIS, TENN.

Chas. J. Haase Irvin F. Bensdorf S. Russell Martin

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MEMPHIS, TENN.

## Whitfield King & Co. INSURANCE

MEMPHIS, TENN.

**Suppose you  
Have a Fire Tonight!**

D. A. FISHER, INC.

MEMPHIS, TENN.

## SOUTHWESTERN FIELD

(CONTINUED FROM PAGE 29)

companies represented in the agency and all sub-agents in the state.

The agency ran a double spread advertisement in a Tulsa newspaper announcing the event, with the headline, "Expanding—To Give Better Service to a Growing Clientele."

## SUGARLAND STATUS UNIQUE

**Town of 2,500 Population Has \$7,500,000 in Insurable Values, With Scanty Protection**

Unique for Texas is the little city of Sugarland, representing as it does \$7,500,000 of insurable value in buildings, equipment, contents and stock, insured for about two-thirds of its value, almost wholly in admitted stock companies. When it is realized that the town has only 2,500 population, owns only one piece of fire apparatus, employs one paid fireman (but has 12 volunteers), the bad fire record penalty attaching to the city's key rate for the last two years is not surprising. This penalty was occasioned largely by the mattress factory loss in 1926, which ran above \$125,000. Though almost the whole of the risk is under fair sprinkler protection, one-fourth of the average values are subject to one fire.

## Has Many Varied Industries

The Sugarland industries comprise a sugar mill and refinery, machine and forge shop, an electric shop and power plant, cotton gin, lumber shed, carpenter shop, a large dehydrating plant, potato curing plant, a fig storage concern and numerous mercantile companies, such as drug and grocery and general stores, as well as a hay storage ware-

house. To offset the hazard in the dehydrating plant, three extra sprinkler heads have been installed.

With a payroll of more than \$1,000,000 a year, the employees of the various interests live in unusual comfort, which produces a wholesome business the year around and brisk seasons when the various products are cured or stored. Since sugar refining is an expensive process, the very heavy investments are necessary and the congested values must obtain.

## Sugar Made from Sorghum

Sugarland's is the first refinery built and operated between the Mississippi river and the great divide. At first it drew its main supply of sugar, in the raw state, from Cuba by ship, but in the last 15 years the development of the great grain sorghum crop, from which is produced syrup, keeps the mill busy during the winter months crushing the cane and producing raw sugar. This unique phase of the sugar industry is only in its infancy, though its annual value has now reached the imposing figure of \$40,000,000. Since there is already established in this country alone a market for \$20,000,000 of the finished products from sorghum and sugar cane, much greater development and expansion will result in the next 15 years, with resulting additions in aggregate insurable values.

## Insurance Women's Club

OKLAHOMA CITY, Oct. 31—Business was dispensed with at the last meeting of the Insurance Women's Club of Oklahoma City, and the meeting became largely social. In a contest introduced by Vera Harper, chairman of the program committee, the honors fell to Stella Hinds of the Aetna farm department. It was decided to organize a basketball team, to further social relations. It was announced that at the recent convention of the Oklahoma Association of Insurers, several Tulsa agents revealed interest in having the

insurance women of their city organized and asked the aid of the Oklahoma City women's association in arousing interest among the Tulsa women. Guy Fuller, manager of the Fuller Adjustment Company, will be speaker at the next meeting, Nov. 14.

## Business Slumps in Oklahoma

OKLAHOMA CITY, Oct. 31—A slump in the insurance in the last few weeks business was reported by M. B. Breeding, retiring secretary-treasurer of the Oklahoma Association of Insurers, and a more decided slump in collections within this period. Whether it is due to the proximity of the presidential election Mr. Breeding is not sure. His report was made after interviewing several of the leading local agents of the city, he said. There is no apparent reason for this condition, he added, as people here all seem to have plenty of money and are not afraid to spend it.

## Arkansas Notes

The city of Hot Springs has sold a \$64,000 bond issue, of which \$41,000 will be used to purchase fire equipment. Two

fire trucks have been ordered at a cost of \$25,000, and other equipment will be bought to increase fire-fighting measures in this section.

R. B. Wilson, who went to Berryville, Ark., two years ago and has since been engaged in the insurance business, has sold his interest to J. W. Trimble of the Trimble Insurance Agency. Mr. Wilson will move to the southern part of the state to take charge of another insurance office.

## Oklahoma Notes

The Anchor of Rhode Island has applied for admission to Oklahoma.

C. T. Ingalls, manager of the Oklahoma Inspection Bureau, has been spending several days in New York and other eastern points.

T. E. Braniff was among the group of Oklahoma City business men who went to Tulsa last week to attend the International Oil Exposition. Mr. Braniff went by airplane.

Enid, Okla., has purchased ground for a new fire station to be located in the residence district in the eastern part of town near Phillips University. Another station is proposed for the western part of the city and land for it may soon be purchased.

## IN THE SOUTHERN STATES

## LEXINGTON, KY., IS INSPECTED

## Unusual Cooperation Given to Fire Prevention Association by Business Men of City

The two-day meeting of the Kentucky Fire Prevention Association at Lexington was one of the most successful inspections that the organization has ever held. There was as unusually good spirit of cooperation shown by the Lexington business men, and Lexington as a whole.

As an example Capt. S. G. Render of the Kentucky Actuarial Bureau, in talking to newspaper reporters, remarked that Lexington needed an inhalator, as the old type of equipment was no longer considered satisfactory. The remark was printed in a Lexington paper. The next day at a dinner of the Rotary Club and Chamber of Commerce, following a talk by Richard E. Vernor of Chicago, W. K. Massie, a Lexington business man, said that if "Smoky" Rogers could give his time to aiding children of the schools, he (Massie) could certainly do his bit by donating the price of an inhalator, and he presented his check for use in that connection.

## Many Talks in Schools

There were about 50 field men at the Lexington meeting. Harry K. Rogers, the "fire clown," made nine talks before some 3,000 school children. Others addressed about 2,200 more. John Coleman of the North America, Grover Galloway of the North British, Richard E. Vernor of the Western Actuarial Bureau and H. W. Robertson of the Hanover handled most of the high school talks.

There were two business men's lunches. At the first the Lions and Kiwanis Clubs jointly met with the fire preventionists and at the second, the Rotary and Chamber of Commerce had a joint luncheon. Between 450 and 500 buildings were inspected, including those in the business districts and the schools.

Sam Walton, Lexington local agent and chairman of the fire prevention committee of the Lexington Chamber of Commerce; E. B. Wilder, secretary of the Chamber of Commerce, and members of the Lexington Board and the various service clubs all cooperated to make the meeting a success.

Lexington, with about 50,000 people, is the largest city in the state that the association has undertaken to inspect.

## Sullivan in Tennessee

Fred W. Sullivan, superintendent of agents of the Firemen's group, is at Memphis, Tenn., this week.

## CONDITIONS MUCH IMPROVED

## Reduction of Large Lines Has Lowered Loss Ratio in New Orleans Territory

NEW ORLEANS, Oct. 31.—Fire insurance companies in the New Orleans territory have about completed their program of line reductions. Larger policies, heretofore carried by one company, and reinsured with others, have been reduced as much as 50 percent, and new business is being written on the smaller basis.

The consensus among field men and general agents is that the results are decidedly satisfactory. The loss ratio is now lower than before and there is a more confident feeling throughout the insurance fraternity.

## Business Returning to Normal

Premiums for 1928 are holding up to the 1927 level, but this is no cause for jubilation, since 1927 was a bad year, due to the disastrous effect on business of all kinds caused by the floods and flood scare of the spring of 1927. A return of business to "pre-flood" levels is expected to occur within a few months as a consequence of the passage of the flood control bill by Congress. The rehabilitation of the sugar industry is expected also to have a perceptibly favorable effect. The Louisiana growers will produce this year about 50 percent of a normal crop and while this figure may seem low, it is very encouraging in comparison with results of recent years and particularly so in view of the fact that for a while the sugar industry appeared to be threatened with extinction.

## Bid Potter Farewell

The Mississippi Blue Goose held a farewell dinner for Most Loyal Gander F. E. Potter in Jackson Oct. 29. Mr. Potter has been promoted by the Home to state agent in Louisiana. Nearly all of the ganders of the Mississippi pond were at the meeting to bid Mr. Potter farewell and success in his new position. The committee in charge of the party consisted of W. F. Carroll, Rollin D. Pitts, A. J. Miazza and Lloyd T. Wheeler.

## Receiver for Bank; Agency Still Open

RICHMOND, VA., Oct. 31.—The Union Trust & Mortgage Company of Petersburg, Va., which operated a large bank agency, is in the hands of a receiver. By order of Joseph Button, commissioner of insurance and banking, the agency was permitted to continue doing business after the doors of the bank had been closed last week and Bernard Syme, Petersburg attorney, had been appointed receiver under bond of \$250,000. Hope was held out that the bank might possibly be reorganized and continue as



Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

*Owned by and under the Management of  
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ROCKFORD, ILLINOIS  
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Adjusters of Insurance Losses  
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50 Gas & Electric Bldg., Denver, Colorado  
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INVESTIGATIONS & ADJUSTMENTS  
FOR  
INSURANCE COMPANIES  
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Suite 625-26-27-28 Bond Building  
WASHINGTON, D. C.  
Practical, Prompt, & Courteous Service

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Prompt and Efficient Adjustment  
Services in Southern Alabama  
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Insurance Adjuster  
FIRE — AUTOMOBILE — CASUALTY  
Ten Years at Same Location  
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Over 10 years experience Established Peoria 1922  
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Workmen's Compensation  
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Automobile Adjustments  
Separate Offices at  
INDIANAPOLIS  
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DULUTH, FARGO and MINNEAPOLIS

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Adjusters for Companies Only  
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Specializing on  
AUTOMOBILE and CASUALTY  
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Investigations — Adjustments —  
Reports  
Casualty, Fire and Miscellaneous Lines.  
Insurance Companies Only. New  
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**SYRACUSE AUTOMOBILE ADJUSTMENT BUREAU**  
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Investigations, adjustments, inspections and  
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**The Central Ohio Adjustment Bureau**  
THE COLUMBIAN BUILDING  
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W. C. BEATTY, Mgr.  
ADJUSTMENTS, INSPECTIONS  
APPRAISALS  
FOR INSURANCE COMPANIES  
Specializing in Automobile Losses and  
Liability Claims

S. W. OHIO S. E. INDIANA  
**FRED W. PETERS**  
INDEPENDENT ADJUSTER  
Fire, Tornado and Automobile Losses  
1941 Third National Bldg., DAYTON, OHIO

**The General Insurance Adjustment Co.**  
Second National Bank Bldg.  
TOLEDO  
Clifford L. Rose, Mgr.

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**THE FULLER ADJUSTMENT COMPANY**  
Prompt Adjustment Services  
Provided in Oklahoma  
Offices at  
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215 Merc. Bldg. 213 Atco Bldg.  
Guy H. Fuller, Mgr. L. M. Hallock, Mgr.

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ADJUSTERS  
205 Yoffee Bldg. HARRISBURG, PA.

**McAndrews Adjusting Agency**  
Thomas A. McAndrews, Owner  
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**Bates Adjustment Company**  
"We have served the companies for  
more than twenty-six years"  
Offices: San Antonio, Texas; Oklahoma  
City, Oklahoma; Tulsa, Oklahoma; Dallas,  
Texas; Abilene, Texas; Amarillo, Texas;  
Tyler, Texas; and Wichita Falls, Texas

**JOHN BURKE**  
Insurance Adjustments  
1424 KIRBY BLDG., DALLAS  
Especially Qualified From Experience to  
Handle Cotton Gins, Oil Field Properties  
and Industrial Plants

## TEXAS (Continued)

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Insurance Adjusters  
DALLAS & HOUSTON  
Send Claim Files to 914 S. W. L. Bldg.,  
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## WISCONSIN

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Home Office: Beloit, Wis.

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INVESTIGATIONS & ADJUSTMENTS  
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A. M. Rice, Mgr., Milwaukee Branch  
496 BROADWAY MILWAUKEE

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Automobile and Side Line Losses  
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General Adjusters  
Underwriters Exchange Bldg.  
MILWAUKEE  
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**J. S. ADAMS, Oklahoma**  
Manager of the Travelers,  
in an address said:  
"I hold in my hand THE  
CASUALTY INSUROR. I do  
not know where a casualty  
agent's \$2 will buy more  
current information and  
inspiration."

Casualty Insuror,  
175 W. Jackson Blvd.,  
Chicago, Ill.  
Please send me the Casualty Insuror  
for 12 months and bill me for \$2.  
Name .....  
Address .....  
City .....

# STANDARD INSURANCE COMPANY OF NEW YORK

Head Office: 80 John Street, New York

J. A. KELSEY, President G. Z. DAY, Vice-Pres. and Secretary

Statement December 31, 1927

CAPITAL .....	\$1,000,000.00
PREMIUM RESERVE .....	1,098,796.26
OTHER LIABILITIES .....	196,660.00
NET SURPLUS .....	1,786,197.15
TOTAL ASSETS .....	4,081,653.41

CHICAGO BRANCH  
175 West Jackson Blvd.

H. T. Dahl, Jr.  
Agency Supervisor

Alfred J. Couch  
Manager Brokerage Dept.

## Great American Insurance Company New York

Choose  
Your  
Company

Choose  
Your  
Company

INCORPORATED - 1872

STATEMENT JANUARY 1, 1928

CAPITAL	\$12,500,000.00
RESERVE FOR ALL OTHER LIABILITIES	23,422,855.21
NET SURPLUS	21,060,119.35
ASSETS	56,982,974.56
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS	\$33,560,119.35
LOSSES PAID POLICY HOLDERS	\$194,691,909.09

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a going concern. It was forced to suspend because of unliquid loans and investments. In the event that plans for reorganization fall through, the understanding was that the assets represented in the insurance department would be sold. H. S. Terry, manager of this department, remained in charge pending a determination of what was best to be done.

### Must Pay on Distillery Loss

FRANKFORT, KY., Oct. 31.—Globe & Rutgers, Union Fire, Palatine, Stuyvesant, Reliable, New Brunswick, National of Hartford and Camden Fire lost their suits in the Court of Appeals in which the Frankfort Distillery Company was seeking to collect \$14,599 insurance on destroyed whisky. The court held that the judgment for this amount is legal, notwithstanding the companies had paid Thomas M. Hinde, president of the distillery company, \$11,811 on his interest in the disputed 436 barrels of whisky that were destroyed. The buildings in which the whisky was stored were burned when the grass along the railroad near where the warehouses were located caught fire and spread to the buildings. The ownership of the whisky became involved and the companies declined to pay the insurance.

### Represents Girard F. & M.

RICHMOND, VA., Oct. 31.—Llewellyn K. Harvie, salesman for L. E. and J. S. Harvie, realtors, Richmond, has been appointed agent in this city for the Girard Fire & Marine which recently opened a branch office here with William Henry as manager. It was stated at the bureau of insurance that the application came direct from the home office of the company. It was learned that overtures were made to several members of the Richmond Board to take the representation of the company but they were not interested. Mr. Harvie was formerly an agent at Richmond for the American Fidelity & Casualty of this city. It is reported that the plan of the Girard is to pay 20 percent commission for business and to have its branch office prepare all forms and write all policies.

### Woman's Insurance Club Elects

The annual meeting of the Woman's Insurance Club of Nashville resulted in the election of Mrs. Charlton B. Rogers, wife of the adjuster, as president. Mrs. Richard E. Bolling, wife of the state agent of the Fireman's Fund, was elected first vice-president; Mrs. Elizabeth Gant, daughter of E. H. Sherley, state agent of the Home, second vice-president; Mrs. W. Porter Rankin, wife of the special agent of the North America, secretary; Mrs. H. V.

Parrish, wife of the farm special agent of the North America, treasurer.

### Universal in South Carolina

The Universal has received a license to do business in South Carolina and will commence writing in that state through Ratterree-Hawkins & Co., general agents. John Ratterree of this firm has been operating for some time in South Carolina. The addition of Mr. Hawkins to this organization will result in a greater expansion of the fire agency plant. Mr. Hawkins was formerly in the rating department of the Southeastern Underwriters Association.

### Kentucky Notes

The annual meeting and election of officers of the Kentucky Fire Underwriters Association has been set for Nov. 27 in Louisville.

J. Grover Galloway, state agent in Kentucky for the North British fleet, has arranged to move his residence from Bowling Green, Ky., to Louisville.

Another church was burned in Kentucky the past week. This time it was the Johnson Island Missionary Baptist Church at Nebo near Madisonville, Ky. The fire resulted from a defective flue.

Mrs. James E. Chittenden, wife of the state agent in Kentucky for the Philadelphia Fire & Marine, has returned to her home after two weeks in a local hospital where she underwent an operation.

Cad P. Thurman, state agent in Kentucky for the Continental, has returned to his home after a week in a local hospital for observation regarding a slight heart disorder. He is reported to have shown satisfactory improvement.

The oldest building in central Kentucky, a log cabin, a part of the residence of L. C. Wood of Pleasureville, Ky., was destroyed by fire the past week. The building had been kept in good condition because of its age. It is reported to have sheltered Daniel Boone and other pioneers when Kentucky was a wilderness.

Richard Bean, president of the Louisville National Bank & Trust Co., one of Louisville's younger and active bankers, who has just recently formed the Louisville National Insurance Company as a subsidiary of the bank, was quoted at length in an article on the insurance page of the "Courier-Journal," regarding insurance and its effect upon credit.

### Virginia Notes

E. Wright Spencer, manager of the Virginia Rating Bureau, is back at his office following a business trip to New York.

William T. Johnson of the Willis, Johnson & Co. agency of Richmond is a member of the board of directors of the Virginia Better Trade Association, formed to combat dishonesty in trade and advertising. Mr. Johnson, who is a former president of the Insurance Exchange of Richmond, was selected as a director to represent insurance in the organization.

## ON THE PACIFIC COAST

### BOARD ANNOUNCES CHANGES

Rules May Not Become Mandatory for Six Months—Liberalize Average Deficiency Rules

SAN FRANCISCO, Oct. 31.—In order to minimize inconvenience and expense to members and agents, restrictive changes in rules and forms of the Pacific Board may not become mandatory unless otherwise specified until a period of not exceeding six months has elapsed. This statement was made by Harry F. Badger, secretary, in a circular he has forwarded to all board company agents. Changes announced in the circular include writing of gas explosion included in fire policy on dwellings and apartment houses at five cents per annum; reduced rate average deficiency rules are also liberalized so this form may be written in separate policy; deductible clauses hereto required in all earthquake policies no longer required in covering rents, rental value, leasehold, use and occupancy and profits indemnity. Rates for floater policies are now grouped in four broad classes with equalization of rates; loss payable clauses are now required only when "for account of whom it may concern" is used.

### CALIFORNIA PROGRAM GIVEN

Detrick Will Tell of Agency Problems of Insurance Department—Expect Record Attendance

SAN FRANCISCO, Oct. 31.—Percy S. W. Ramsden, secretary of the California Association of Insurance Agents, says that indications point to a record attendance at the 1928 convention of the organization, which is to be held in Bakersfield, Nov. 8-10. An exceptionally large delegation of company executives is also expected according to the early reservation list. According to Mr. Ramsden the topics under discussion are of such interest that every section of the state will be well represented. Instead of a number of "set" speeches this year the major portion of the three days will be devoted to general discussion for the purpose of determining future action of the agents as a group.

### Detrick Will Speak

One session will be "executive" to which only members of the association will be admitted. The annual golf tournament will also be held for the Sacramento Insurance Exchange's perpetual trophy open to all members of the association.



sociation and members of the Blue Goose.

Agency problems of the insurance department will be discussed by Commissioner Charles R. Detrick followed by discussion on the question "What About a Real Agency Qualification Law—Qualification by Examination?" The report of officers on agency qualification legislation will also be given.

Among the other features of the programs will be discussion, "Shall policy-writing agents continue to be satisfied with the same commission as non-policy writing agents?" led by H. J. Thielen, past president. "The National Association of Insurance Agents," a report on the 1928 convention by H. J. Thielen, regional vice-president of the National association.

Discussion will be held on the following questions: "What About Separation?" "What is the Present Bank of Italy Situation?" "Shall the Association Issue an Honor List of Companies Co-operating 100 Per Cent with Agency Principles?" "What About Companies Continuously and Intentionally Out of Line?" "How Shall the Agents Meet Competition of the Farm Mutuals and Auto Mutuals?"

#### Explain Rate Making

The officers have invited the following speakers to explain the rate making functions and structure of existing rating organizations: Harry F. Badger, secretary Pacific Board; R. E. Laley, manager San Francisco branch National Bureau of Casualty & Surety Underwriters; Wm. T. Barr, assistant manager Pacific Coast Automobile Underwriters Conference.

"How shall the agents meet competition of the 'fly-by-night' automobile service clubs?" will be discussed by W. G. Thompson, Napa. Arnold Hodgkinson, manager National Automobile Club, has been invited to join in this discussion.

"What About Compulsory Automobile Liability Insurance?" will also be discussed. J. R. Molony, western manager Aetna Casualty will report on the work of the California legislative committee which is now making a study of this problem. Senator Edgar S. Hurley will report as representative of the association.

#### Continental Case Under Advisement

OLYMPIA, WASH., Oct. 31.—After four days of trial the second hearing in the case of the Continental against the state of Washington in Judge Wright's court at Olympia resulted in the judge taking the case under advisement. A great mass of testimony including experts' opinions on rates and deviations marked the trial. The case is expected to go to the Supreme Court regardless of the judge's decision. The first hearing was continued owing to crowded condition of the court calendar and because of unavoidable absence of counsel.

#### Exchange Appoints Committees

The Los Angeles Exchange has announced the various committee chairmen that will serve the organization for the ensuing year, as follows: Application, Egbert Van Allen; board of education, C. T. Manwaring; city and county, H. M. Burgwald; chamber of commerce, J. L. Van Norman; legislative, I. O. Levy; membership, H. E. Tipton.

#### Purchase Salvage Wagons

The Los Angeles fire department has purchased four new salvage wagons at a cost of \$5,000 each, three of which have been assigned to the metropolitan area, while the fourth has been assigned to the fire station at 239 Seventh street, San Pedro.

#### Appointed General Agent

R. H. Jenkins, head of the R. H. Jenkins agency at Los Angeles, has been appointed general agent for the Fidelity American of Houston. Mr. Jenkins has appointed Carl W. Honza as claims adjuster.

#### Ready to Write Business

SEATTLE, WASH., Oct. 31.—The recently organized First National of America will be ready for business Nov. 1,

according to announcement in Seattle. The new company has a capital and surplus of \$3,360,000.

#### Appeal Mutual-School Case

PORTLAND, ORE., Oct. 31.—Petition for rehearing the case of N. P. Johnson vs. School District No. 1 to determine whether a mutual may issue a non-assessable policy to a school district, has been filed with the supreme court. In an opinion handed down by Justice Belt a few weeks ago, the supreme court reversed in favor of the insurance company the earlier decree of Circuit Judge Evans of Multnomah county.

The Northwestern Mutual Fire appealed the case to the supreme court. Securities amounting to \$500,000, as a bond to protect the fire insurance policies until the case is decided, were placed in the hands of the Portland school board by the insurance company. These securities are still in Portland.

#### Choose Nominating Committee

SAN FRANCISCO, Oct. 31.—A nominating committee consisting of J. A. Bergerot, R. D. Connelly, J. B. Hauer, J. F. Jewell, George K. Mannheim, William F. Schmidt and H. V. Stockton has been appointed by the Insurance Brokers Exchange of San Francisco to select nominees for

president, first and second vice-presidents, three members of the board of governors and two members of the arbitration committee. The election will be held Dec. 12.

#### New Companies in Montana

BUTTE, MONT., Oct. 31.—Four new fire companies have been admitted to Montana, the Rochester American, Trinity Fire and the First American for agency business and the Lion Fire of New York for fire reinsurance only.

#### Seeks Board Membership

SAN FRANCISCO, Oct. 31.—The Pacific American Fire, recently organized in Los Angeles with D. Wilson Pierce as vice-president and general manager, has applied for membership in the Pacific Board. Mr. Pierce is named as the voting representative.

#### Admitted to Pacific Board

SAN FRANCISCO, Oct. 31.—The Halifax Fire, with Dixwell Davenport as voting representative, and the Sylvania Fire, with John A. Hougaard, have been admitted to the Pacific Board. The Lion Fire of New York, with Benjamin Goodwin as general agent, has been admitted to operate in California.

## NEWS FROM EASTERN FIELD

### ANNOUNCE BOSTON LECTURES

Evening Classes in Fire Insurance Start  
Nov. 9—Subjects and Speakers  
for Course Listed

BOSTON, Oct. 31.—The Insurance Library Association of Boston resumes its evening classes in fire insurance Nov. 9.

The subjects and lecturers include: Fire insurance contract, Clinton B. Elwell, general agent Fireman's Fund; building construction, Gorham Dana, manager Eastern Underwriters Inspection Bureau; fire protection and prevention, A. L. Brown, inspection department, Associated Factory Mutuals; correspondence, H. N. Rasely, secretary Burdett Business College; woodworking industries, H. W. Whiting, engineer improved risk department, New England Insurance Exchange; common fire hazards, Wallace Wales, assistant secretary Boston Board; spraying hazards, Alfred N. Miner, Gilmour Rothery & Co.; principles and history of fire insurance, D. N. Handy, librarian, Insurance Library Association.

#### Substantial Prizes Offered

The fire courses are under the general direction of a committee consisting of William B. Medlicott, chairman; Gorham Dana, Harry N. Belt and Robert A. Sullivan.

Added interest in this year's work is derived from the fact that several substantial prizes are offered students taking the examinations with the highest marks. The Boston offers \$100, of which \$50 is to go to the student completing the three-year course and receiving the highest average mark in all subjects; \$25 to the student completing the work of the second year with the highest average mark, and \$25 to the student completing the subjects of the first year with the highest average mark.

The Insurance Society of Massachusetts also offers \$100 to be distributed at the discretion of the educational committee to students taking the examinations in both the casualty and fire branches.

#### Increase Johnstown School Insurance

JOHNSTOWN, PA., Oct. 31.—The school board has authorized the placing of \$2,108,000 of additional insurance on the buildings under its control, in addition to \$2,490,000 already held. Local agencies will divide the added insurance, which is based on covering the buildings to 80 percent of their value and contents to 90 percent. A blanket policy will be written and the reinsurance subdivided.

### WOULD CORRECT VIOLATIONS

Philadelphia Underwriters Association  
Asks Members to State Whether  
They Are in Line

Members of the Philadelphia Fire Underwriters Association have received from the organization the following letter in which they are asked to tell whether they are in line on the amended Article 9 of the by-laws which describes and defines a policy-writing agent:

"The executive committee has ruled that Article IX of the by-laws as amended April, 1928, shall be enforced as of Nov. 1, 1928. This rule limits the number of policy-writing agents to three for each company in Philadelphia and requires that these shall maintain fully equipped policy-writing offices; companies writing policies or performing any other clerical work usual to an agency are violating this rule.

"Please make specific reply within 10 days to the following questions:

"1. What agents have you in Philadelphia compensated at rates exceeding brokerage? (Names and addresses.)

"2. Are all your agents writing their own policies; if not, which ones are not?

"3. Are you performing any clerical work for any of your agencies which is usually performed by local agents?

"4. Will you advise us that you will by Nov. 1, 1928, discontinue any agency you now maintain in violation of the by-law referred to above?

"5. Will you ascertain and advise us if any of your agents are performing any clerical work for any sub-agents to whom commission in excess of brokerage is paid?"

#### Fights Unauthorized Companies

HARTFORD, Oct. 31.—As a result of the public agitation aroused by Commissioner Dunham's recent warning against doing business with unauthorized insurance companies, many individuals and business concerns have been seeking information as to the status of different companies before placing insurance with them.

Commissioner Dunham revealed that inquiry as to the standing of their insurance carriers had caused several corporations located in Connecticut to transfer to authorized companies coverage amounting to about \$500,000 recently.

"Despite the recent warnings against the dangers of bootleg insurance," said Colonel Dunham, "we still receive complaints from people who allege that their just claims against unauthorized companies have not been satisfied. They come to ask for information about the status of these companies after the damage is done. The time to make such

inquiries is before taking out insurance. "While the department can not aid in collected claims, it can and will punish all agents detected in placing insurance with unauthorized companies. The state law makes the writing of insurance for unauthorized companies punishable by a fine of not more than \$500 or imprisonment of not more than three months, or both."

#### Rates Lower Despite Heavy Losses

SCHENECTADY, N. Y., Oct. 31.—Fire insurance rates in Schenectady are decreasing, in spite of a 100 percent jump in fire losses during the first eight months of this year, according to Schenectady insurance dealers.

A new rating system, required by state law, is given as the cause of this condition.

Estimated fire losses from Jan. 1 to Aug. 31 were \$322,533, compared with \$145,679 for the same period last year.

#### Act Against Free Insurance

The Mercer county, N. J., insurance agents association has appointed a credit committee to take action to check the growth of the free policy evil in Mercer county territory. A committee is authorized to develop a credit reporting system to make a tabulated record of delinquent assureds who take advantage of 50 and 90-day credit extensions to permit their policies to be cancelled and then have them rewritten through another agency on the endless chain principle.

#### Postpone Philadelphia Meeting

PHILADELPHIA, Oct. 31.—Due to the fact that a number of persons were unable to attend the meeting of the Philadelphia agents and the territorial committee of the Eastern Underwriters' Association, the session, scheduled for last week, was postponed until today. Indications are that all the differences will be ironed out within the next few weeks.

#### Additional Officers Elected

Additional officers as follows have been elected by the American Agents & Brokers Association of Philadelphia: Arthur Freeston of Arthur Freeston, Inc., first vice-president, to head the organization until next January. Mr. Freeston made it a condition of his election that he will not become a candidate for reelection. Joseph E. Hale, an agent of the Home of New York, was elected treasurer. Herman Apothaker, a Philadelphia broker, has been added to the executive committee.

No action was taken on the matter of permitting companies to join the association as associate members. It was decided that the association is too young to take company members into its ranks. It was decided to form a grievance committee to hear complaints of members and make attempt at adjusting differences.

The executive secretaries received instructions to call to the insurance commissioner's attention the fact that the Lehigh Valley Motor Club of Allentown, Pa., is selling a policy of insurance in connection with its annual membership dues. The organization is to learn whether the Automobile Club has a license or charter to sell insurance. If it has not the commissioner will be requested to take the necessary action.

#### Eastern Notes

The Sussex Fire of Newark, N. J., has been licensed in Massachusetts.

Opening of a general insurance business at LeRoy, N. Y., is announced by Thomas M. Philbin of that place.

John T. and Glen F. Witmer, sons of the late A. L. Witmer of Williamsville, N. Y., have taken over the local agency in that place formerly operated by their father and will operate it under the firm name of Witmer & Witmer.

Charles J. Rich has organized a general local agency at Cattaraugus, N. Y., under the firm name of the Rich Agency. Associated with him in its ownership are George H. Lincoln and Edna S. Campbell, also of Cattaraugus. The new agency begins operations with a capital of \$20,000.

Charles E. Snyder, assistant secretary of Silas Chapman & Co., Hartford insurance agents, has resigned to become a partner in the firm of J. M. Anderson & Co., insurance agents at Stamford. He has been with the Hartford firm three years and was connected before that with the National Liberty in charge of southwestern New England.



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New Laws to Reduce Fire Losses  
in Quebec**

MONTREAL, Oct. 31.—This year has been an important one for the province of Quebec in the matter of fire prevention legislation. Under the guidance of Fire Commissioner Lavigne, no less than four new and important laws have been placed on the statute books as follows: regarding the protection of public buildings against fire, respecting the sale and installation of lightning rods, and amendments to the fire investigations and fire prevention acts.

The first of these acts deals specially with electrical and heating installations, mostly the former, and with the inspection of same. The general control of installations is put under the jurisdiction of this act, and licenses will be issued to properly qualified contractors, journeymen and moving picture operators.

The second of these acts deals with the duties of persons selling or installing lightning rods in Quebec. Agents must be licensed, and those applying for a license other than an agent must furnish security for an amount of \$5,000, the deposit being an act of good faith of the manufacturers and salesmen.

The third act has to do with the investigation of fires and requires coroners, except in the cities of Quebec and Montreal, to immediately give notice of fires by registered letter to the provincial fire commissioner.

The fourth act includes amendments to the fire prevention act as regards the personnel required for carrying out the act, the duty of the commissioner, and the admission of towns, villages, and rural municipalities to benefit by the provisions of the act. Fire insurance companies are required to make monthly reports regarding fire losses in the province.

**New Companies Seek Charters**

Application is being made for the incorporation under Ontario charters, of new companies, the Colonial Life and the Colonial Fire & General. The applicants are J. H. Mulholland, life insurance manager, Toronto; W. B. Coatts, fire and casualty insurance manager, Toronto; E. W. Bickle, investment broker, Toronto; O. G. Keene, merchant, London, Ont.; and J. B. Allen, solicitor, Toronto.

Mr. Mulholland was formerly superintendent of agencies for the Empire Life, which was organized about six years ago in Toronto.

**Conduct Educational Program**

MONTREAL, Oct. 31.—The program of the Insurance Institute of Montreal for this season, includes addresses by prominent authorities, on the various fire and casualty insurance lines. Meetings held on Oct. 8, 15 and 22 were addressed by A. R. W. Plimsoil, solicitor, on "The Fire Insurance Policy and the Contract," and on Oct. 29, "The History and Principles of Fire Insurance" was discussed by H. J. Kerr of the Commercial Union. In the casualty section various problems in accident and sickness business were taken up by R. J. McCormack of the North British & Mercantile. On Oct. 29 J. B. Thomson of the Globe Indemnity spoke on "How to Read the Standard Policy."

**Canada National Fire Progresses**

WINNIPEG, CAN., Oct. 31.—The Canada National Fire, concerning which there has been some anxiety because of its former association with the Great West Permanent Loan Company, which went into liquidation, is now stated to be making good progress under its new directorate. At the time of the annual meeting in February a new group, headed by E. F. Hutchings as president,

and Henry Sandison as vice-president and managing director, took charge. A good volume of business has been secured during the year, and some of the former investments have been sold at satisfactory prices.

**New Canadian Company Grows**

TORONTO, Oct. 31.—The Pilot Automobile & Accident of Canada, which started business last year, has increased its agency force from 97 at the end of 1927 to over 200 at the present time, and by the end of August had reached premiums of \$138,000, compared with an objective of \$100,000 for the year.

**Hold Stockholders Meeting**

TORONTO, Oct. 31.—A meeting of the shareholders of the British Canadian, which is associated with the Western and the British America of this city, will be held at the head office in Montreal Nov. 2 to vote on amendments to the by-laws and qualifications of directors of the company.

**New Director of Waterloo Mutual**

TORONTO, Oct. 31.—Ford S. Kumpf, one of the most prominent business men of western Ontario, has been elected to the directorate of the Waterloo Mutual Fire. Mr. Kumpf is vice-president and managing director of the Dominion Life of Waterloo, and vice-president of the Waterloo Trust & Savings Company.

**Losses Show Increase**

According to the "Monetary Times," fire losses in Canada for the week ending Oct. 17 are estimated at \$458,200, as compared with \$96,000 for the corresponding week of 1927. Fire losses from Jan. 1 to Oct. 17 are estimated at \$15,625,500, as compared with \$13,515,450 for that period in 1927.

**Davies Wins Golf Cup**

WINNIPEG, Oct. 31.—The match between the two champions of the fire insurance golf competition, Leo E. Johnson of the Western Canada Insurance Club, and A. T. Davies of the "Black Trophy" golf competition, resulted in a win for Mr. Davies. Mr. Davies thus wins the cup presented by Smith, Fess & Denison for this event.

**Buy Brokerage Firm**

TORONTO, Oct. 31.—The insurance brokerage firm of A. E. Wilson & Co. of this city has taken over the firm of Burns & Ferguson. The business of the latter dates back about 50 years, and until a few years ago the name was Burns & Webster. It took over the firm of Thompson, Dale, Power & Mackie some years ago. The firm of A. E. Wilson & Co. was started over 25 years ago.

**Canadian Notes**

The Lincoln Fire of New York has been licensed to write fire insurance in Canada.

The Southern of London has been licensed for fire insurance in British Columbia. T. W. Greer is manager.

Fire originating in the Farris building in the mining town of Rouyn, Que., destroyed seven buildings, including the Globe Hotel, with a total loss estimated at \$50,000.

The Niagara Fire has announced the appointment of W. D. King, who has been inspector at Calgary, as special agent at Winnipeg, succeeding T. O. Sheffield, resigned.

**PRESIDENT M. E. WILLIAMS**  
of the Oklahoma Association of Insurers, stated at the association's last convention that he can not understand how a man who professes to be an insurance man can get along without reading his trade paper. He urged the agents to become subscribers to the trade journals. He said that in many offices he has visited he has found the insurance journal reposing peacefully on top of a man's desk with the wrapper still on it. He stressed the importance of keeping up with one's business and said that in his opinion there is no better way to do this than by reading a trade journal regularly.

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NEW YORK, N. Y.

## MOTOR INSURANCE NEWS

### SEEK E. U. A. JURISDICTION

Members of Eastern Automobile Conference Would Curb Non-Affiliated Competition—Reelect Officers

NEW YORK, Oct. 31.—All former officers of the Eastern Automobile Underwriters Conference were unanimously reelected for another year at the annual gathering of the organization in this city. The roster is: President, Robert P. Barbour, United States manager Northern Assurance; vice-president, Charles R. Pitcher, deputy manager Royal; treasurer, Charles E. Case, assistant United States manager North British & Mercantile.

To the incoming executive committee was referred the general question of rates, commissions and policy forms, in the thought that these will be taken up as a whole with a view to placing the stock companies in position to more effectively meet the severe competition of non-affiliated offices, mutuals and reciprocals, but more particularly from the first named class. The association companies have been and still are subjected to severe competition from two or three notably aggressive stock institutions, not in the matter of rates, save in rare instances, but as to commissions. The free lance concerns outbid the organization companies and in some cities have cut deep into their incomes.

#### Want E. U. A. Jurisdiction

In the minds of some of the organization men the most effective means of dealing with this condition would be for the Eastern Underwriters Association to assume jurisdiction over the automobile as well as over the fire and wind-storm lines, and thereby compel all member companies to hold to a common scale of commissions. The two most aggressive of the outside stock offices hold membership in the E. U. A. and adhere to all of its regulations. Their freedom in so far as automobile business is concerned, however, gives them a strong card to play with agents, not alone in securing automobile risks but in getting preferred fire business. Because of this situation some executives point out that the need for controlling both divisions of underwriting through a central organization is apparent. Either, they assert, E. U. A. companies should be compelled to compete upon an even basis in all lines of business, at least in the major lines of fire and automobile, or they should be forced to flock by themselves.

#### Provided by Constitution

While the constitution of the Eastern Underwriters' Association provides for the assumption of jurisdiction by the body over the automobile line, no move to that end has been made thus far, the organization having been concerned with other problems to such degree that its members generally have not paid particular concern to the automobile branch. According to not a few managers, however, the time is fast approaching, if indeed it has not already arrived, when the subject will have to be taken up in earnest and definite action agreed upon.

### FEW ATTEND AUTO MEETING

Beardsley Elected to Head National Automobile Underwriters Conference at New York Meeting

NEW YORK, Oct. 31.—Considering the disquieting conditions of the automobile underwriting field at this time, and the need for strong centralized reformative action, attendance at the annual meeting of the National Automobile Underwriters Conference held in this city was disappointingly small. The reason for it is hard to explain because it was anticipated prior to the gathering that virtually all member companies would be represented. President Charles E. Case, in his annual address, commented on the existing situation in the business and offered a number of recommendations, which will be considered by the incoming executive committee. As anticipated, the slate offered by the nominating committee was unanimously approved, the following being chosen officers of the organization for the new year: President, Guy E. Beardsley, vice-president Aetna; vice-president, William Mackintosh, manager Royal; treasurer, Herbert W. Ellis, assistant United States manager Phoenix of London.

#### Drop Blanket Automobile Plan

BUFFALO, N. Y., Oct. 31.—The Buffalo city council, meeting this week, again deferred final action on the proposal to cover all municipal automobiles for all loss and liability on a single blanket policy. Determined opposition to the plan, advocated as a money saver, on the part of Comptroller William A. Eckert led the council to postpone action, although a special insurance committee had recommended such coverage. Mr. Eckert declared he would not favor the plan until he had been informed just how the awarding of the contract and the reinsurance under it would be handled. Councilman John Montana had indicated he would carry his fight against this type of insurance to the council floor had the ordinance been pressed for a vote.

#### Seek Name for Clause

SAN FRANCISCO, Oct. 31.—Seeking something more effective than the name "Limited Collision" for the collision clause of that character, the Pacific Coast Automobile Underwriters Conference has offered prizes amounting to \$175 to the best three suggestions for a new name for this form. The offer is made to agents and brokers of conference and fire board companies in the territory and approved conference brokers. In addition to suggesting the name the conference seeks a statement setting forth the advantages of the limited form from the standpoint of the insurance buyer. The contest closes Dec. 21.

#### Addresses Superintendents

Charles Pitkin, vice-president and manager of the National Service & Appraisal Company, addressed the Chicago Automobile Superintendents Club on Monday, giving some information as to the inspection service of his company.

#### Organize New Auto Mutual

The Michigan department has licensed the Atlas Insurance Underwriters of Owosso, whose attorney-in-fact is the Atlas Agency, Inc.

The attorney-in-fact corporation is

**The Hampton Roads Fire and Marine Insurance Company**

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headed by Frank O. Omer with W. A. McIntyre as secretary. Mr. Omer is understood to be connected with the Auto Owners agency, attorney-in-fact for the Auto Owners Underwriters of Kankakee, Ill.

#### Interstate Licensed in Illinois

The Interstate Inter-Insurance Exchange of Milwaukee, a reciprocal writing full coverage automobile insurance, has been licensed in Illinois. O. H. Lemke is president of the Inter-Insurance Exchange which is the attorney-in-fact for the reciprocal.

#### MARINE INSURANCE NEWS

##### COMPANIES EXPECT PROFIT

**If Post-Season Losses Do Not Occur on Great Lakes, Money Will Be Made**

Companies writing hull and cargo insurance on the Great Lakes report that they expect to make some money this year provided they are not hit by a series of post-season losses such as occurred on Lake Superior last season. As a rule, post-season business is more profitable than business written before the season closes, for the reason that although the rate is higher, the hazards, excepting in an unusually bad year, are not so much greater than they are near the close of the regular season.

The wheat crop of the northwestern United States and of southern Canada is heavy this year, and at present much grain is moving down the Lakes and much more will be moved before navigation on the northern route becomes impossible. The backbone of the lake marine business is the ore that is shipped from the head of the lakes to the steel plants spread along the southern shore of the eastern end of the lakes. However, for a part of the season the grain business is very important.

Near the close of last season a number of total losses on hulls and grain cargo were suffered in Lake Superior as a result of a heavy storm. Those storms frequently make navigation on Lake Superior dangerous near the end of the season. It is as difficult to navigate a vessel in a snow storm as in a fog. If heavy ice is not encountered, however, the danger is not excessive.

##### WILL WRITE INLAND MARINE

**Standard of Hartford, One of Aetna Life Group, Now Entering That Field**

Entry of the Standard Fire of Hartford, one of the Aetna Life group of companies, into the inland marine and all-risk business has been announced by J. K. Hooker, vice-president of the company. Policy forms and rate schedules for the new departure have been prepared and writing of the lines will begin immediately. The department is under the immediate direction of R. J. Perrin, Jr., recently elected secretary, who will have as his chief aid Assistant Secretary D. R. Sibley. Both are experienced marine underwriters.

The lines immediately available under the present arrangement include all forms of transportation insurance, jewelry floater, fine arts, scheduled property floater, bridge insurance, fur floater, installation risks, radium, registered mail, personal effects, parcel post, tourist baggage, exhibition risks, musical instruments and other affiliated coverages.

#### Central States Fire Moves

The Central States Fire of Wichita is moving Nov. 1 from the office in the Biting building which it has occupied for 12 years to the Brown building. The company is taking over the entire 10th floor, which has been especially designed for its use.

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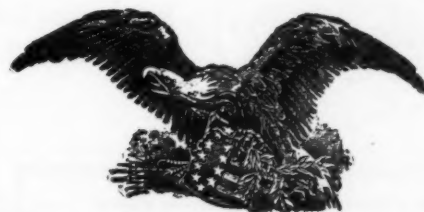
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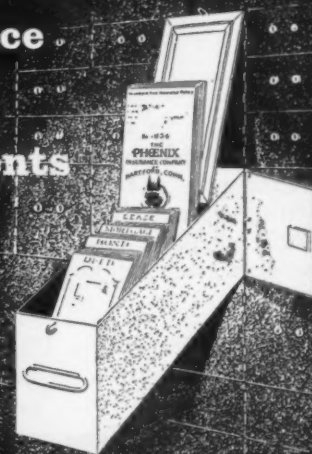
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# The National Underwriter

November 1, 1928

CASUALTY AND SURETY SECTION

Page Forty-seven

## EXPLAINS MAKING OF COMPENSATION RATES

General Manager Leslie Answers  
Collins' Letter Criticizing  
Council's Procedure

## DEFENDS METHODS USED

Investigation of Loss Ratios May In-  
dicate Desirability of Loading All  
Manual Rates

NEW YORK, Oct. 31.—Arthur W. Collins, United States manager of the Zurich, recently addressed letters to the chief executives of a large number of companies, pointing out what he termed "fundamental defects in rate making procedure" as practiced by the National Council on Compensation Insurance.

Replying to Mr. Collins' letters, William Leslie, general manager of the council, says in part:

"Here are the facts as to the council rate making procedure today:

"1. Manual rate levels are keyed to the manual loss ratios of the three latest completed policy years, with indemnity losses adjusted for amendments and with medical losses adjusted to the medical cost level of the latest policy year.

### Rating Plan Balanced

"2. The schedule rating plan is balanced (a) by adjustment of the schedule rating factors to produce a balanced result under 'physical' items, and (b) by an addition to the 'r' values sufficient on the whole to offset the credits allowed for safety organization and other 'moral' items. The physical items of the schedule have been kept in balance from the outset. The increase in 'r' values to balance the morale items became effective Jan. 1, 1927, consequently their effect is not reflected in any of the collected loss ratios exhibited in your memorandum. The average increase in 'r' values is 3 percent, and this means an average increase of 3 percent in the rates produced by application of the schedule rating plan.

"3. The National Council experience rating plan is balanced by the incorporation of a 'balancing factor' which is based upon the actual off-balance in each state as indicated by the latest tabulation of experience rating results. This principle was agreed to by the rates committee at its meeting of April 5, 1928, and became effective simultaneously with the weighted experience rating plan. For most states the plan, with its appropriate balancing factor, has been in operation since July 1, 1928. The effect is, therefore, not reflected in any of the collected loss ratios shown in your memorandum.

### Final Step in Calculation

"The balancing factor is applied as a final step in the calculation of the experience modification and, therefore, its equivalent to a uniform loading upon

## SEEK UNIFORM PLAN FOR ALLOCATING COST

## SUB-COMMITTEES ARE NAMED

Will Devise a Formula So That Proper  
Methods of Accounting Can  
Be Arrived At

NEW YORK, Oct. 31.—As an outcome of the most recent gathering of the committee of surety and casualty company representatives appointed by Superintendent Beha to formulate a uniform plan for the allocation of field supervision costs, two sub-committees have been named, one consisting of agency supervisors, which will define the percentage of expense to be charged field supervision and home office administration respectively and the other, made up of statistical chiefs, to devise accounting methods for recording the respective charges.

### What Field Supervision Includes

Under the rules of the casualty and the surety acquisition cost conference, field supervision costs must include (1) remuneration to general agents, branch office managers, assistant managers and salaried special agents; (2) traveling expenses of each of the above; (3) cost of policy writing in agencies and branch offices; (4) cost of collecting premiums in agencies and branch offices; (5) rent, heat, light and maintenance of agencies and branch offices; (6) remuneration of clerical office force and in agencies and branch offices; (7) exchange, advertising, postage telephone, telegraph and express in agencies and branch offices.

When the insurance department received a statement from the companies several months ago, the percentage expenses varied so widely because of the different practices in vogue in the majority of companies in the treatment of their field expense items, that a comparison of results was out of the question. The superintendent was unable to determine what companies were within and what were exceeding the acquisition expense limitation requirement. The result was the calling of a conference of company men to agree upon a uniform method of expense allocation. The agency men are to meet here again on Nov. 2. If they are then able to agree upon a uniform plan the result will at once be referred to the statisticians for whipping into proper accountancy shape.

every experience rate. The factor varies from state to state in accordance with the actual results of experience rating within each such state, but on the whole is equivalent to an increase of from 2.5 to 3 percent on all experience rates.

"The balancing of the experience rating plan either by a loading in the rates or a balancing factor in the plan has been brought to the attention of council committees time and time again. The failure to adopt either a loading in the rates or a balancing factor was due entirely to differences of opinion as to the causes of the off-balance. While the country-wide investigation of loss ratios by size of risk may indicate the

## VIOLATIONS OF RULES ARE BEING CORRECTED

## SURETY CONFERENCE WORKS

Expected that Acquisition Cost Program  
Will Be Effective in All Sec-  
tions in Due Season

NEW YORK, Oct. 31.—When the national agency committee of the Casualty Acquisition Cost Conference meets this week, it is expected the sub-committee that has been considering the Chicago situation for some time past will submit a report, making such recommendations as it is hoped will be mutually satisfactory to the companies and their Chicago representatives.

Members of the national agency committee of the Fidelity and Surety Acquisition Cost Conference express themselves as being highly pleased with the outcome of the meeting held here several days ago, at which all member companies submitted a complete record of their agency connections in Ohio, Pennsylvania, Michigan, Maryland and Delaware. It developed that certain offices had agencies largely in excess of the number permitted under the rules, and the majority either had been canceled or assurances given that such action would be taken within a reasonable time. With the five states in question disposed of, three additional states will be taken up, the plan of the committee being to go over the entire field, taking states by groups, until it is shown that all companies are in line everywhere.

## ATTORNEY GENERAL RULES AGAINST MEDICAL PROTECTIVE

LANSING, MICH., Oct. 31.—Several hazards against which the Medical Protective of Fort Wayne insures its physician policyholders without additional charge are of the taboos variety and therefore uninsurable and virtually all of a list of added coverages are beyond the scope of the Michigan statute, according to an opinion of Wilber M. Brucker, attorney-general, just given Commissioner Charles D. Livingston.

Commissioner Livingston is advised by the attorney general to make permanent an order, previously of a temporary nature, barring from inclusion in Michigan policies these special hazards which, as listed on a rider sent to policyholders, are as follows: Loss from any claim or suit for damages for assault, slander, libel, undue familiarity, anaesthesia hallucination, personal restraint, malicious prosecution, replevin of property, or from any other claim or suit for damages alleging a breach of professional duty; protection against any claims or suit for return of professional fees.

desirability of spreading some or all of the loading for off-balance over all manual rates, (instead of confining it to experience rated risks as at present), nevertheless the adoption of the present procedure represents, in our opinion, a big step forward because it gives immediate and certain relief pending completion of such investigation."

## TRAVELERS COMPANIES RESIGN FROM BUREAU

Will Collect Automobile Insurance  
Premiums on Instalment  
Payment Plan

## WANT GREATER PROGRESS

Continue to Observe National Bureau's  
Rates, Rules and Regulations  
For All Lines

HARTFORD, CONN., Oct. 31.—The Travelers and the Travelers Indemnity have resigned from membership in the National Bureau of Casualty & Surety Underwriters. The letter of resignation, sent to Albert W. Whitney, acting general manager of the bureau, is as follows:

"The Travelers and the Travelers Indemnity hereby resign membership in the National Bureau—all departments, as of this date.

"The Travelers, with due regard for changing economic conditions, has advocated changes in bureau practice which would enable the Travelers and other members to keep in step with the times and serve the purchasers of insurance in accordance with their needs as influenced by the changing economic conditions. Our efforts have been unavailing; and since we hold the view that certain changes are essential to the progressive development of casualty insurance, and since there seems to be no hope in the immediate future of securing such changes through majority vote of the bureau, we are obliged to terminate our relationship."

### Conscientious Supporter

"Protection," the company's agency organ, says this week:

"The Travelers has been a loyal and conscientious supporter of the National Bureau and believes in cooperation between stock casualty companies. Therefore it follows that the resignation from the bureau must have been actuated by compelling causes and the determination to resign reached only after mature consideration—all of which is true.

"An important object of the National Bureau as set out in its constitution is 'The development and administration of plans for increasing the beneficial effects of stock casualty insurance.' In furtherance of this object, the Travelers during the past few years has from time to time advocated changes in system and practice which in its judgment would have brought the casualty insurance system into step with the changing economic and social conditions.

### Advocated Installment Plan

"For example the Travelers advocated instalment payment of automobile premiums. The Travelers' effort over several years to secure the promulgation of such a plan has been unavailing. Since the company believes instalment payment to be in the interest of pur-

(CONTINUED ON PAGE 60)

## REVIEWS MASSACHUSETTS' LEGISLATIVE PROBLEMS

### DOWNES ADDRESSES AGENTS

General Counsel Gives Salient Points in Bitter Attack on State Insurance

In outlining the legislative problems facing the Massachusetts Association of Insurance Agents before its meeting last week, John W. Downes, general counsel, characterized the coming year as "most critical we have yet faced." His address in part follows:

"The insurance men of Massachusetts are facing the most critical year we have yet faced in the insurance business. There has been more misinformation, political propaganda and sheer bunk given to the citizens of Massachusetts during the past year, regarding the compulsory automobile liability security act and other lines of insurance than ever before in the history of this state.

"For the last 17 years the state branch of the American Federation of Labor, year after year, has tried to have the legislature plunge the state into the business of workmen's compensation insurance, and in spite of the fact that no state in the United States has enacted a monopolistic workmen's compensation state fund law since 1912, every year the insurance interests have to go to the state house and, by a campaign of education, show to the legislature just what would happen if they followed the desires of this labor organization.

#### Passed Compulsory Measure

"In 1925 the Massachusetts legislature passed the so-called compulsory automobile liability security act. The legislature enacted into the law every protection conceivable for the benefit of the injured person and the automobile owner. They delegated to the insurance commissioner the power to fix the rate to be charged by every insurance company writing this line of business, and they gave the insurance commissioner, as a yard stick for measuring these rates the four words—that the rates must be 'adequate,' 'just,' 'reasonable' and 'non-discriminatory.'

"Ex-Commissioner Monk was confronted with the tremendous task of fulfilling his duty as insurance commissioner. This task has had no precedent elsewhere in the United States.

"The first rates established by the insurance commissioner were inadequate, and this year when he attempted to establish rates that were adequate, just, reasonable and non-discriminatory for the year 1929, the whole situation became involved in politics and the compulsory automobile insurance law became a political football, with the result that Massachusetts lost one of its very valuable commissioners and a chaotic condition was created in the minds of the automobile owners.

#### Eight Bills Filed

"Already eight bills have been filed, regarding insurance matters, for consideration by the 1929 legislature.

"They call for a repeal of the compulsory automobile liability security act; establishment of a state fund; investigation of the so-called insurance lobby; the establishment of a motor vehicle accident board for the prompt disposition of certain motor vehicle accident cases for personal injuries; and an investigation of fire insurance rates. And before the 1929 legislature convenes I predict that we will have dozens of other bills with as many different schemes for a solution of the automobile problem.

"It is very interesting to note that the attorney-general, at the request of the acting insurance commissioner, has asked for a receivership for the Car Owners Mutual Liability of Boston on the grounds that the assets of the company are impaired to the extent that it cannot carry its policyholders further, and that

## THREE COMPANIES ARE READY FOR WRITING

### EXAMINATION HAS BEEN MADE

New York City Will Be the Home Office Center for the New Institutions

NEW YORK, Oct. 31.—Examination of the organization of the Citizens Casualty, Consolidated Indemnity and Standard Surety & Casualty, all of this city, has been completed by the insurance department, each of the companies having the entire amount of funds claimed. The Citizens Casualty, of which T. Harvey Ferris is president and Franklin C. Hopkins, treasurer, possesses capital of \$400,000 and a surplus of \$200,000; the Consolidated Indemnity, \$1,000,000 capital and \$4,000,000 surplus, and the Standard Surety & Casualty, \$1,000,000 and \$1,600,000 surplus. John F. Gilchrist is president and A. S. White secretary-treasurer of the Consolidated, which when licensed plans to write all forms of casualty and surety business and to do it aggressively. Among its important shareholders are the City Financial Corporation, George J. Atwell, W. Fox, W. L. Kenny, B. K. Marcus and G. S. Michell.

The Standard Surety & Casualty will get under way in the near future. F. G. Morris, its president, is now arranging for his underwriting staff.

45,000 policyholders are very likely to be faced with an assessment and the necessity of obtaining insurance from some other insurance company or cease to drive their motor vehicles upon the highways of Massachusetts.

#### Mutuals Striking Example

"The condition of the mutual insurance companies that have sprung up since this automobile law went into force, and who write this form of insurance exclusively, should be a striking example to the next insurance commissioner whose duty it will be to promulgate rates under this law.

"The advocates of a state fund for automobile insurance, to be run at cost do not tell the people that it will require a building the size of the state house to house the employees necessary to conduct this business. They do not tell the people that it will require a legal force of 100 lawyers to defend the commonwealth against the suits which would be brought against the fund. They do not tell the people that it will take 1,000 investigators and adjusters to investigate the automobile accidents which happen in this commonwealth. They make no provision if the figures they say are adequate, fail to provide enough money to pay these claims. If they are running true to form, they will have a cute little joker in their bill, whereby, if the rates are insufficient the rates shall be increased to an extent necessary to make up the deficit for the preceding year. And what guarantee has an automobile owner that his interests will be protected as well as they are under the present administration?

#### Two Policies Necessary

"These advocates do not tell the automobile owners that they will have to have two insurance policies to protect their cars. They do not tell the people that they will have to buy an insurance policy that would cover their cars the minute they went over the boundary line into another state. They very glibly throw to one side the argument of the state interfering with private business, on the grounds that it is compulsory for every automobile owner to buy insurance. (That is not strictly true. The law is a three-way law and a person may file a bond or deposit securities in the hands of the registrar.) If this principle is sound, then why should not

## DIEMAND JOINS MORAY IN SOUTHERN SURETY

### RESIGNS POST WITH ZURICH

Will Become Executive Vice President and a Director in Charge of Eastern Field

NEW YORK, Oct. 31.—Norman R. Moray, president of the Southern Surety, sprung a surprise on the fraternity when he announced this week that John A. Diemand of this city, assistant United States manager of the Zurich General Accident, has resigned to join him, becoming executive vice-president and a director. He will have charge of the eastern territory. Mr. Diemand leaves the Zurich Dec. 1. At that time he will devote himself to developing the Atlantic states. The eastern department will be established in New York City.

#### Must Build Up Organization

The Southern Surety has never been well organized in the eastern field. Therefore, Mr. Diemand will build largely from the ground floor up. He will establish an office and field force having a fully equipped organization to meet all demands. Recently it was announced that Mr. Diemand would be transferred to the United States headquarters of the Zurich in Chicago to be the assistant to the General Manager A. W. Collins, thus relieving Mr. Collins of some of the more arduous duties.

#### Successful as Business Builder

Mr. Diemand has been particularly successful as a business builder. He started with the Philadelphia Casualty in 1903 in the claim department. He became superintendent of that department and held the position when the Fidelity & Deposit took over the company. In 1913 he became superintendent of the claim department of the Zurich. He was made agency superintendent the next year and in January, 1916, was transferred to the New York office as general superintendent of the eastern department. In 1921 he was appointed assistant United States manager and took entire charge of the east. The Zurich enlarged his territory and duties.

The fact that Mr. Moray has aimed high in strengthening the Southern Surety is evidence of the kind of timber he has in mind in putting the company well to the fore.

#### Increases Premium Income

In a statement issued a few days ago by M. R. Johnson, Vice-president and general manager of the Pacific Indemnity, it was shown that the company's gross premium writings for the first nine months ending Sept. 30 aggregated \$4,740,291, an increase of \$411,328 over the same period of last year.

the state engage in the business of supplying the necessities of life to its citizens at cost? The law compels me to wear clothes, so why not have the state of Massachusetts furnish them to me at cost?

"They point out that the difference between the premiums received and losses paid is profit. They entirely overlook the fact that the state of Massachusetts collects from this fund 2½ percent of the premiums received, or \$400,000. They entirely overlook the fact that the losses for the first 10 months of 1928 were 25 percent greater than the year 1927. They entirely overlook the fact that it took years to build the organization now in force in this state to handle this automobile law, and it would take the state just as long, if not longer, to build such an organization. To put this responsibility upon an untrained commission would result in chaos."

## TRADERS & GENERAL NEW TEXAS COMPANY

### WILL WRITE COMPENSATION

Organized by J. J. Watson, Well Known Casualty Man—Will Add Other Lines Later

AUSTIN, TEX., Oct. 31.—The Traders & General of Dallas was granted a charter last week and licensed by the Texas board of insurance commissioners. Its capital is \$100,000 with \$100,000 surplus paid in. The company is chartered to write workmen's compensation insurance and when the next capital stock increase is made it will take on a number of casualty lines. Its ultimate goal is \$1,000,000 capital stock, J. J. Watson, vice-president and general manager, said. Temple H. Morrow, president, and Edward C. Hilman, secretary-treasurer, with Mr. Watson are the incorporators. All reside in Dallas.

#### Strong Board of Directors

The board of directors is composed of well-known Texas bankers and business men as follows: Gus A. Brandt, Houston; J. D. Avis, Wichita Falls; M. N. Baker, Dallas; Wm. A. Browning, Dallas; M. W. Cunningham, Amarillo; L. G. Hawkins, Vernon; Edward C. Hilman, Dallas; Ernest L. Kurth, Lufkin; George Lang, Sr., Dallas; Jewel P. Lightfoot, Fort Worth; Temple H. Morrow, Dallas; Oscar T. Nicholson, Shamrock; J. J. Watson, Dallas; R. P. Dorough, Texarkana; John Findlater, San Angelo; R. M. Kelly, Longview.

#### Watson Has Long Experience

Mr. Watson, who is the chief factor in the new company, is a man of long experience in the casualty field. He started his work in that field in Scotland as secretary to the president of the General Accident at its home office. After coming to this country he served as general manager of the American Indemnity of Galveston and secretary of the Employers Casualty of Dallas. He left Texas several years ago to join the Michigan Mutual Liability in Detroit as business administrator, leaving that post to return to Dallas and organize the company which he has just now put into the field.

## CANCEL IOWA BUS LINES, RESULT OF COURT RULING

WATERLOO, IA., Oct. 31.—The Underwriters Service Company of Chicago, reported to carry insurance on nearly a third of the motor buses operating in Iowa, will send notices of withdrawal to operators as the result of a decision in a damage suit tried here and reviewed by the district and supreme courts of the state, according to W. A. Lawrenson of Des Moines, state agent and adjuster. The suit involved a claim of Miss Laura G. Crozier, Brooklyn, N. Y., who was awarded \$1,800 damages when a driver for the Hawkeye Stages swerved and upset his bus rather than strike an automobile. The court held the bus company was not liable but held the insurance company liable. All companies carrying insurance on motor buses and trucks in the state are reported to be contemplating a meeting in Des Moines soon to decide upon a concerted action in their protection.

#### J. H. Dravis Promoted

JERSEY CITY, N. J., Oct. 31.—John H. Dravis, Jr., recently manager of the burglary and plate glass departments of the Hudson Casualty of this city, has been appointed superintendent of agencies for the company, succeeding John E. Hogan, recently named resident vice-president in charge of the company's New York City branch. In turn Mr. Dravis is replaced in the management of the burglary and plate glass departments by J. A. Bantel.



## BACKS PLAN BARRING UNFIT AUTO DRIVERS

President Henry of Automobile Association Follows Up Convention Address

### JOINT MEETING NOV. 13

Opposes All Compulsory Insurance Plans but Urges Recognition of Preferred Risk Class

DETROIT, Oct. 31.—Any plan by which physically and mentally unfit automobile drivers may be barred from the streets and which will provide equitable insurance to the fair-minded and responsible motorist will receive the backing of the American Automobile Association, Thomas P. Henry, president of the association, asserted here today.

President Henry's comments followed up a speech he delivered before the casualty convention at White Sulphur Springs. In that talk he criticized insurance companies for making no distinction between the good and bad risks among drivers, and claimed an experience plan should be worked out whereby the careful, sane automobile driver would be given preference in the matter of risks. In an interview Mr. Henry said:

#### Meet on Nov. 13

"A special committee of the American Automobile Association has met in Washington, D. C., and drawn up a plan of insurance which will be presented to the executive committee of the association in their meeting in Washington on Nov. 13. At this time there will meet with us the committee of nine which has been appointed by the casualty company executives and the plan will be discussed pro and con.

"The American Automobile Association is generally opposed to any plan of insurance which is compulsory in nature and puts an exorbitant rate against the careful and responsible driver.

"There are approximately 23,000,000 motorists in the United States. This number embraces every sort of driver from the meticulous operator who observes all traffic regulations and extends every courtesy of the road to others, to long lists of mentally unfit and physically disabled. There are large numbers of automobile drivers in every locality which include the deformed, former convicts, mentally deranged persons who should be confined in an asylum, and various other types whose responsibility in case of an accident is absolutely zero.

#### Plan an Improvement

Mr. Henry said that, while he was unable to divulge the plan being considered prior to the Washington meeting, he had been apprised of its general specifications and believed that it is a substantial improvement. He indicated that its features would include a more adequate and far-reaching licensing of drivers, an examination that would automatically prevent mental and physical misfits from obtaining licenses to operate motor vehicles. He said that the plan would essentially "put teeth into present laws which have lacked that very desirable feature," and that an accident would compel an examination or investigation and would fix the financial responsibility in case of damage. Further, he indicated, the plan being worked out for presentation to the conference on Nov. 13 would bar a driver from use of the streets or highways after an accident, particularly if the parties concerned were not responsible.

"It appears necessary," he said, "that

## NATIONAL SURETY AND ITS FOREIGN PLANS

TO WRITE FIDELITY BONDS

Hugh Nettle Is Now Shaping Up the Organization for Handling the Continental Business

Hugh Nettle, vice-president of the National Surety and its European representative, is now on the other side arranging for the entry of the company into both France and Germany. It some time ago announced its determination to embark in the fidelity bond field in the two countries named, having already a considerable volume of fidelity coverage upon the European representatives of American corporations and intending to establish a service for the rapid and satisfactory handling of claims on that continent. It figured, moreover, that the time was opportune for broadening the scope of its operations and that in the course of time it could build up a substantial line of direct writings.

#### Nettle Is in Charge

Mr. Nettle, who will have charge of the continental operations, has had years of underwriting experience and is well versed in the policies of the National Surety, having been in its employ for seven years. Just now he is taking up with the governmental authorities of France and Germany the matter of deposits and arranging the mechanics for active business-seeking in both republics. It will likely be the first of the new year before the necessary preliminaries are completed and the company ready to issue policies in its new field.

an efficient plan should immediately be evolved which would fix the responsibility and make every driver responsible for damages. I personally believe, and the association is inclined in the same direction, that compulsory insurance for every driver is wrong. To offset the claimed advantages of such a law, which has been proven of little consequence by the Massachusetts demonstration, the licensing law should be provided with stricter provisions barring irresponsible drivers.

"All the compulsory insurance laws devised and considered are of absolutely no value where such individuals are concerned.

"That brings us to my point which I stressed at White Sulphur Springs. And that is that casualty and similar insurance companies could well afford to create a special preferred class of risks for the careful, painstaking and responsible motorist. It is safe to say that, by failing to do so, the insurance companies have lost millions.

#### Block Fallacious Opinions

"And another thing which the American Automobile Association is attempting to do. We are trying to block the fallacious public opinion concerning automobile liability insurance. It is not good for an organization such as ours and certainly not for the insurance business to have nine out of 10 insured drivers not know what is meant by this type of insurance. The association is cooperating to the end that this misnomer and misunderstanding may be eliminated from the public mind."

Another feature in the plan, according to the association head, is to provide for a uniform plan of financial responsibility for automobile drivers which may be presented to the legislatures of all the states and thus provide a common understanding and enforcement of traffic laws.

#### Appoint Cleveland General Agent

The Massachusetts Bonding has appointed Howard C. Williams as general agent at Cleveland for all lines in northern Ohio.

## NEBRASKA RESISTS NEW GUARANTY FUND LEVIES

BANKERS WILL GO TO COURT

Collection of Proposed Assessment Would Take 5 Per Cent of Banks' Capital This Year

LINCOLN, NEB., Oct. 31.—Although the state guaranty fund has paid out several million dollars to recoup depositors in failed banks in the last five months, it has nearly all come from sales of lands and collections of assets, the fund itself being almost exhausted. Two regular assessments in January and July raised \$256,000 for the fund, and a special assessment in May yielded \$600,000 more. The secretary of the state banking department announces that within the next two weeks he will levy another special assessment of equal size, but whether he will be able to collect it or not is another question.

#### Agree to Resist Collection

More than 40 banks have signed an agreement to join in resisting collection. While the regular assessments are on the deposits in the bank, the specials are against the capital stock, and the bankers have been advised by a group of eminent lawyers that this is taking private property without due process of law and hence unconstitutional. Several times in the past bankers have threatened to test the matter in the court, but this is the first time they have signed an agreement to that effect. A second special assessment of equal size with the first will have the effect of taking 5 per cent of the total capital stock this year.

#### Compromise Plan Suggested

At a meeting of the state association of bankers this week, the guaranty fund was discussed, but no action was taken as to any plan to relieve the situation. It was felt that the legislature should not be hampered in its handling of the question by any official action of the bankers, although it will have several plans presented to it. The latest one is the wiping out of the entire liability now existing for failed banks, estimated at between \$10,000,000 and \$20,000,000, by a compromise offer which will take care of not to exceed half of the total liability. The theory is that the depositors must shoulder part of the burden of loss, as to compel the bankers to do it would wipe out more than half of the capital stock of the solvent bankers.

## OPPORTUNITIES ARE SEEN IN RESIDENCE LINE

"Competitors won't bother you" is the title of an article in the current issue of the Hartford "Agent" telling of the great opportunities for agents to sell in the field of general and residence liability insurance.

"An interesting demonstration of the potential market for public liability insurance, says the Hartford "Agent," was recently staged by a newly appointed agent of the Hartford Accident & Indemnity, who in a very few days sold this coverage to every landlord and tenant in the block where his office is located and who found that this was such an easy task that he said he felt reasonably sure he could sell residence public and employers' liability to 90 percent of the home owners whom he solicited. He is now doing that very thing.

#### Mutuals Closely Watched

In addition to the Car Owners Mutual, the Bristol Mutual and two other mutual companies organized in Massachusetts to write compulsory automobile liability insurance are under close observation by the Massachusetts department. Each of the companies is reported in weak financial condition.

## APPLIED KNOWLEDGE WILL GIVE RESULTS

John H. Egloff Speaks at Wisconsin Insurance Day Meeting

### POINTS OPPORTUNITIES

Field Representative of the Travelers for Casualty Lines Shows How Broad Field Is

MILWAUKEE, Oct. 31.—"Know yourself, your company, your product and apply your knowledge," was the way John H. Egloff, supervisor of agency field service, casualty lines, of the Travelers summarized the essentials of insurance salesmanship at the Wisconsin Insurance Day meeting held at Milwaukee.



JOHN H. EGLOFF, Hartford Field Supervisor Travelers

consin Insurance, Day meeting held at Milwaukee.

"The \$90,000,000,000 of life insurance in force today protects the national earned income for only a year and four months. Not more than 25 percent of the 23,250,000 automobiles registered in the United States are insured for public liability. Approximately 15 percent are covered for property damage. Not more than 33 1/4 percent are protected against loss from fire and theft. Nine out of 10 who carry straight fire insurance are underinsured. Group insurance is still in its infancy, and burglary insurance has been likened to a sleeping giant." This was the picture of opportunities painted by Mr. Egloff in discussing how insurance salesmanship in its fullest sense can make the realization of these opportunities possible.

#### Successful Producers Study

Successful insurance producers have studied the needs of their clients and they have properly prepared themselves in the fundamentals of their life work, he asserted. "If we analyze ourselves, believe intensely in ourselves and our business, and cultivate the right mental attitude, we will get more out of life, better serve our country and the public, and attain leadership in our chosen field."

The average buyer of insurance wishes to know "What do I get?" "What is behind it?" and "How much does it cost?" Mr. Egloff said. In order to answer properly the first and second questions, the agent must be

able to explain the coverage, the security and service of the company, while the answer to the third is of course relative and depends upon what is to be given for the price asked.

#### "One-Liner" Disappearing

In Mr. Eglof's opinion the day of the one-line insurance producer is rapidly disappearing. "We are living in what might be termed a multiple-line atmosphere," he declared. "The reason for this is obvious. The public cannot be expected to keep informed on the many ramifications of our business. They look to their insurance agent or broker to see to it that they have proper protection, both as to kind and amount. The public demands that we know our business."

The successful producer knows his contracts and is able to explain them to prospects, it was pointed out. "When such information is supplemented by facts relative to the security and services of your company, together with local data showing the need for the protection which is being offered, your clients will have a clear picture of what they are buying."

#### Quality Is Selling Point

Any producer who knows his company and its product has little to fear from competition, as the successful insurance salesman creates business, according to Mr. Eglof. The successful agent stresses the gains and benefits under his contract and proves that the quality points of his contract, abundant security, efficient and intelligent service, are more important than any consideration of price.

Ability and knowledge must be applied if insurance salesmen wish to obtain the greatest benefit from their endeavors, Mr. Eglof added in drawing an analogy from the fields of science, literature, art and industry, where those who have reached the pinnacles of success have done so because they have constantly applied themselves. "Think of the golden opportunities that are ours today. Never was the need greater for all forms of insurance. The business is here, but it will be secured only by those who are willing to take sufficient time to study, visualize and develop it."

#### MAGUTH HAS UNUSUAL LINE

##### Opens New General Agency at Chicago to Specialize in Crime Insurance Only

Frank L. Maguth, well known forgery insurance specialist and a pioneer in that field, has opened in Chicago a general agency which is somewhat unusual in that it will specialize in crime insurance only. The lines covered will be forgery, fraud, burglary and fidelity. Mr. Maguth will represent the General Indemnity of Rochester, N. Y., and his office is at 247 Railway Exchange building.

The General Indemnity was organized in 1914 to write the forgery bonds for the Todd Protectograph Company. It is owned by the Todd people. In 1925 it reinsured its business in the Metropolitan Casualty, the Todd interests having acquired a substantial interest in the latter company. The Metropolitan granted heavy credits, running from 5 percent to 60 percent, on forgery insurance for use of certain protective devices. At the beginning of this year the Metropolitan conformed to conference rules limiting credits to 5 percent and 10 percent. The General Indemnity is not a member of the conference and will give the old credits of 5 percent up to 60 percent.

Early this year the General Indemnity increased its capital and surplus to \$1,500,000. It now writes forgery insurance only but may extend its line after the first of the year.

L. A. Panse has been appointed regional agent at Schenectady, N. Y., for the Hudson Casualty of Jersey City.

## COMPANIES WRITING COMPENSATION IN NEW YORK REPORT ON TOTAL BUSINESS

NEW YORK, Oct. 31.—In the annual report of the New York department for 1928 the total premiums earned by all carriers, (save those which have ceased writing the class) on workmen's compensation insurance from July 1, 1914 to Dec. 31, 1927, inclusive, was \$495,498,755, with incurred losses of \$309,358,587, or 62.4 percent. Of the total figures the non-participating carriers received \$345,659,369, and incurred losses of \$218,610,373, or 63.2 percent, while the participating offices collected \$149,839,386 and incurred losses of \$90,748,214, or 60.6 percent. The earned premiums for the two classes of carriers in 1927 aggregated \$187,020,282, and incurred losses of \$120,759,141, or 64.6 percent, the experience as to the different types of companies being \$144,236,109 earned premiums for the stock

offices and \$42,784,173 for the mutuals. The incurred losses in the same period were \$94,194,808 and \$26,564,333 respectively. The loss ratio for the stock institutions was 65.3 percent and that of the non-stock 62.1 percent. The expenses incurred by the carriers on the year's operations amounted to \$69,077,308, a ratio of 36.9. The several elements of the total ratio are also shown. Investigation and adjustment expense was 8.8 percent; acquisition and field supervision, 14.6 percent; general administration, 8.5 percent; inspection and bureau, 2.7 percent, and taxes, 2.3 percent. An underwriting loss of 7.4 percent was sustained by the stock companies, while the non-stock institutions reported a profit of 16.4 percent. The figures by companies, as given by the New York department, follow:

Insurance Carrier	Premia. Earned	Losses Incurred	Loss Ratio	Exp. Incurred	Exp. Ratio	Ratio of Miscellaneous Profit or Loss†	Ratio of Net Gain From Underwriting‡
All Carriers.....	\$187,020,282	\$120,759,141	64.6	\$69,077,308	36.9	—	1.9
Non-Participating.....	144,236,109	94,194,808	65.3	60,161,026	41.8	—	7.4
Participating.....	42,784,173	26,564,333	62.1	8,916,282	20.8	—	16.4
Aetna Cas.....	15,443	9,559	61.9	5,966	38.6	—	1.6
Aetna Life.....	11,815,600	7,379,290	62.4	4,794,990	39.8	—	1.7
Amer. Employers.....	732,392	541,100	73.9	280,452	38.3	—	11.6
Amer. Indemnity.....	—938	14,143	—	—	—	—	—
Amer. Reinsur.....	192,693	31,555	16.4	1,791	25.3	—	58.8
Century Indem.....	115,992	102,927	88.7	120,193	103.6	—	94.4
Columbia Cas.....	1,845,441	1,153,112	62.5	761,522	41.2	—	3.8
Commercial Cas.....	2,131,149	1,255,988	58.9	965,999	45.3	—	5.1
Continental Ind.....	127,332	96,727	76.0	152,963	120.1	—	97.0
Continental Cas.....	1,672,255	1,011,897	60.5	738,354	44.2	—	4.5
Eagle Indemnity.....	636,941	460,811	72.4	269,713	42.3	—	15.5
Employers' Indem.....	420,299	276,911	65.5	131,537	31.7	—	5.2
Employers' Liab.....	11,361,848	6,631,161	58.4	4,607,678	40.6	—	1.1
Europ. Gen. Reins.....	17,856	3,000	16.9	875	4.7	—	78.4
Fidelity & Cas.....	5,534,456	3,878,265	70.1	2,236,542	40.4	—	10.9
First Reinsur.....	3,416	—	—	671	19.6	—	80.4
Genl. Accident.....	5,432,764	3,858,914	71.0	1,979,023	36.9	1.4	6.5
General Reins.....	1,648,268	1,192,541	72.4	560,399	34.0	—	7.1
Globe Indemnity.....	6,885,078	4,244,368	61.6	2,718,665	39.5	—	1.3
Great Amer. Ind.....	442,400	329,882	74.5	243,272	55.0	—	30.7
Hartford Acci.....	7,166,552	4,814,720	67.2	3,150,887	43.9	—	11.8
Indemnity of N. A.....	4,400,192	2,986,728	67.9	1,751,240	39.8	—	8.5
Indem. Indem.....	2,498,085	1,536,595	61.5	1,116,193	44.7	—	4.2
London Gu. & Acc.....	3,817,774	2,386,601	62.5	1,656,264	43.4	—	6.3
London & Lanc.....	390,412	306,109	78.5	181,239	46.4	—	27.1
Maryland Cas.....	8,397,612	5,627,116	67.0	3,392,282	40.5	—	9.1
Mass. Bonding.....	561,172	370,738	66.1	236,306	42.1	—	9.3
Metropolitan Cas.....	2,318,484	2,240,467	79.5	1,189,129	42.2	—	26.3
New Amster. Cas.....	2,959,319	1,909,371	64.5	1,207,101	40.8	—	7.1
N. J. Fid. & Pl. Gl.....	125,136	104,992	83.9	54,277	43.4	—	34.1
New York Cas.....	5,237	6,014	114.9	4,542	86.7	—	106.3
New York Indem.....	1,422,532	1,118,423	78.7	769,828	54.1	—	32.5
N. W. Cas. & Sur.....	137,471	93,702	68.2	87,818	63.5	—	6.8
Norwich Un. Ind.....	724,625	537,747	74.2	349,781	47.5	—	24.0
Ocean Accident.....	5,564,831	3,563,689	64.0	2,442,358	43.9	—	7.6
Phoenix Indemnity.....	2,487,923	2,383,701	68.3	1,378,907	49.6	—	15.7
Royal Indemnity.....	4,957,531	3,382,000	68.2	2,095,328	42.3	—	8.8
Standard Acci.....	186,874	183,403	98.1	78,215	41.9	—	12.6
Sun Indemnity.....	24,013,260	15,500,265	64.5	10,647,244	44.3	—	33.1
Travelers.....	1,710,971	1,240,195	72.5	806,812	47.2	—	8.4
Union Indem.....	1,994,516	1,199,760	60.2	1,055,252	52.9	—	21.1
U. S. Fld. & Guar.....	10,489,997	7,134,313	68.1	3,774,682	35.9	—	13.2
Western Cas.....	582,542	456,295	78.3	115,598	19.9	—	1.8
Zurich.....	4,073,284	2,172,129	53.3	1,737,325	42.6	—	5.4
Allied Mut. Liab.....	1,367,945	750,096	54.9	320,479	23.4	—	21.8
(Amer.) Lumb. M.....	1,368,317	750,096	54.9	320,479	23.4	—	17.3
Amer. Mt. Liab.....	10,946,592	6,843,148	62.5	2,376,450	21.7	—	14.8
Bakers' Mutual.....	186,664	56,744	30.4	54,845	29.4	—	40.1
Barnes' Mutual.....	67,318	19,521	29.0	13,982	20.8	—	50.2
Coal Merch. Mut.....	199,644	100,703	50.4	20,188	10.1	—	22.2
Empire State Mut.....	155,377	89,142	57.4	27,559	17.7	—	22.6
Employers Mut.....	789,149	500,946	63.4	230,884	29.3	—	6.3
Exch. Mut. Indem.....	466,054	360,683	77.3	135,687	29.2	—	12.8
Fed. Mut. Liability.....	4,663,845	3,070,451	65.8	931,183	20.0	—	29.8
Hud.-Mohawk Mut.....	297,789	104,260	35.0	52,211	17.5	—	28.8
Interboro Mo. Ind.....	295,184	168,656	57.1	48,862	16.6	—	26.0
Jamestown Mut.....	9,741,968	5,394,414	55.4	1,953,174	20.0	—	24.3
Liberty Mut.....	899,737	404,038	44.9	279,463	31.1	—	33.9
Lumber Mut. Cas.....	32,555	35,619	109.4	21,594	66.3	—	75.7
Merch. Mut. Cas.....	51,606	36,064	70.0	15,532	30.0	—	2.6
Mutual Casualty.....	213,386	100,344	47.0	41,573	19.5	—	33.0
N. Y. Print. & B.....	1,351,619	1,076,530	79.7	198,214	14.6	—	6.0
Security Mut.....	6,637,210	4,848,888	73.1	1,187,950	17.9	—	7.9
State Fund.....	1,790,833	1,078,318	60.2	412,858	23.1	—	16.2
Union Mutual.....	1,057,113	640,908	60.6	159,256	15.1	—	24.3
Utilities Mutual.....	—	—	—	—	—	—	—

\*Excluding business of carriers which have ceased writing workmen's compensation insurance.

†Represents gain or loss from premiums charged off or recovered, change in over-due premiums disallowed, etc.

‡Minus sign indicates loss.

§Rates are in general 15 percent lower than manual.

#### SMITH AND CURRAN MADE RESIDENT VICE-PRESIDENTS

NEW ORLEANS, Oct. 31.—The Union Indemnity announces the election of William M. Curran and Merle D. Smith as resident vice-presidents of that company and the Northwestern Casualty & Surety at the Los Angeles office.

Mr. Curran was formerly manager of

the surety department of Matt T. Mancha & Co. and joined the Union Indemnity when the new southern California branch office was established at Los Angeles. Mr. Smith was formerly treasurer of the International Indemnity and went to the Union Indemnity when the latter company bought the business of the International. Both are widely known in insurance circles on the west coast.

## COMPLETE AUTOMOBILE LIABILITY RATE STUDY

### FAVOR EXCHANGE OF VIEWS

#### Automobile Casualty Underwriters Association Forwards Recommendations to National Casualty Bureau

NEW YORK, Oct. 31.—Having completed its study of automobile liability insurance rates, commissions and policy forms, the Automobile Casualty Underwriters Association, an unofficial body made up of the automobile department heads of stock casualty companies, has forwarded its various recommendations to the National Bureau of Casualty & Surety Underwriters. The latter body will take such action on them as seems to it desirable. The association has since been making an intensive review of the factors entering into forms of coverage granted buses, taxicabs and other public carrying vehicles in New York, which under the law are compelled to carry public liability insurance. The conference has also studied underwriting practices with a view to eliminating the particularly hazardous features, thereby reducing the loss ratio of the business. While all companies carefully cull all applications sent them for liability insurance, the association men feel that through a free exchange of views, all affiliated companies would benefit from the general experience.

#### ATTEMPT TO REINSURE MASSACHUSETTS MUTUAL

BOSTON, Oct. 31.—The hearing has been postponed on the petition of the Massachusetts insurance department for a temporary injunction against the Car Owners Mutual Liability of Boston to restrain it from doing further business and asking for the appointment of a receiver on the allegation that its assets are impaired more than \$484,000. The hearing was called for last Friday morning but was postponed by the Supreme Judicial Court to Nov. 9. It is understood efforts will be made to bring about reinsurance of the company.

#### Labor Leaders Start Company

LANSING, MICH., Oct. 31.—The Lincoln Liability of Detroit has filed articles of incorporation with the Michigan department. The company, a stock automobile carrier, is capitalized at \$200,000, and its officers are understood to be now interested in the Lincoln Mutual Casualty, indicating a possible reinsurance program in the offing. Issuance of stock to the public is awaiting approval of the state securities commission. The company's backers are, for the most part, prominent in the labor circles of the state. List of officers submitted to the securities commission is as follows: Eugene I. Brock, president; L. J. Resseguie, vice-president; James J. Carroll, secretary-treasurer. Other incorporators named are: William Snyder, Ernest R. Mills, James Gibbons, and Dennis E. Batt. Mr. Brock, formerly a leader of organized labor and still known to be loosely affiliated with the movement, is now chairman of the state department of labor and industry.

#### May Require Liability Coverage

Cincinnati may require the drivers of the city's automobiles to carry liability insurance. Action was taken at a recent meeting of the city council and the city manager was requested to obtain information as to cost. Under the state constitution the city can not be held for damages accruing to an individual or to property as a result of negligence of its employees or agents in the performance of governmental functions. The plan suggested was to give the drivers of the city vehicles a slight increase in pay to cover the premium cost of the liability insurance.



## BANKERS INDEMNITY INSURANCE COMPANY



31 Clinton St.  
NEWARK, NEW JERSEY

The Bankers Indemnity Insurance Company was organized in the spring of 1926 with a capital of \$500,000.00 and with a surplus of \$1,000,000.00. In November, 1927, there was paid in an additional \$1,250,000.00, of which \$500,000.00 was applied to capital and \$750,000.00 to surplus. The company is now operating in the States of Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, California, Georgia, Alabama, Vermont, Colorado and Maine and the District of Columbia.

### SAFER PROTECTION

The company made a departure from established custom by making the minimum standard limits, \$7,500/15,000 for bodily injury and \$1,500 property damage liability without any increase in premium over what is ordinarily charged for \$5,000/10,000, and \$1,000 limits respectively. This removes the policyholder from the *danger-zone* to the *safety zone*. These limits apply to all classes of public liability except public passenger carrying vehicles and elevators.

The company is writing:

*Automobile Liability—Bodily Injuries*  
*Automobile Property Damage Liability*  
*Automobile Collision*  
*Automobile Plate Glass Breakage*  
*Automobile Personal Accident*  
*Teams Liability*  
*Workmen's Compensation*  
*Owners', Landlords' and Tenants' Liability*  
*Golfers and Sports Liability*  
*Manufacturers' and Contractors' Public Liability*  
*Plate Glass Insurance*  
*Personal Accident and Health*  
*Burglary*

This is the second calendar year of our operations and the indications are that our premium writings will be approximately \$2,500,000.00.

FREDERICK E. WILKENS,  
Vice-President and General Manager.

**Our Agents  
always  
get more  
than an  
even break**

**ZURICH**

**General Accident & Liability  
Insurance Company, Limited**

HEAD OFFICE, Chicago EASTERN DEPT., New York

## MASSACHUSETTS ACCIDENT COMPANY

BOSTON, MASS.



Established 1883

### OUR SPECIALTY:

**Non-Cancellable Disability Coverage**

Renewable to Age 60

**Total Disability Indemnity**  
Unlimited

**Partial Disability Indemnity**  
Unlimited, or 12 Months' Limit

**Waiting Period**

14-30-60 or 90 Days

CHESTER W. McNEILL, *President*  
V. R. WESTON, *Manager Commercial Dept.*

**INDEMNIFIERS FOR OVER FORTY YEARS**

## START ACQUISITION INQUIRY IN DETROIT

**Conference Sends Committee to  
Investigate Fidelity and  
Surety Conditions**

### FAIL TO OBSERVE RULES

**Pay Maximum Commission to Many  
Not Entitled to It—Many Branch  
Offices**

DETROIT, Oct. 31.—In an attempt to straighten out the casualty and fidelity situation in Detroit where varying agents rates have caused a muddle similar to that previously experienced in New York and Chicago, a committee of prominent insurance heads visited this city recently.

Among the visitors were John L. Mee, vice-president of the National Surety; W. A. Edgar, vice-president and superintendent of agencies of the United States Fidelity & Guaranty, and Charles H. King, of the Fidelity & Casualty. The officials represented the National Conference on Acquisition Cost for both fidelity and surety lines.

The primary source of trouble in Detroit, it is said, has been in the non-observance of the acquisition cost rules as originally laid down. Whereas these rules permitted the appointment of two agencies of each company who were entitled to 30 percent commission because of their large volume of business, it is charged that several companies took advantage of this feature and made it a blanket proposition. In this way, there appeared in many cases no actual limit to the number of agencies demanding and receiving the larger percentage.

### Fail to Take Action

Originally, the rules permitted that the two representative agencies from each company might be either branch offices or general agencies, while all other agencies would remain on the regular 20 percent basis. Some of the companies, acting in good faith, endorsed their local agent's contract on a 20 percent basis, intending to follow the rules. Still other companies took no action whatsoever, and continued to pay the higher rate of commission to all of their representatives.

With generally good business conditions prevailing here, competition became keener and keener, in which those companies still paying the lower commission rates were rapidly losing business. This finally led to a situation which found practically all companies paying commissions ranging from 25 to 30 percent to any local agent who could control a reasonable volume of bond business.

It was to correct this deplorable situation, surety leaders say, that brought this commission to Detroit, and also to put back into force the acquisition cost rules in this territory.

### Meets Lending Men

The committee was met by many leading surety and fidelity men headed by J. L. Straughn, resident vice-president of the Fidelity & Deposit. It was brought out at the conference that some success had been obtained in New York and Chicago, where similar conditions had prevailed, through the appointment of an arbitrator. Under the plans of these two cities, complaints might be filed with the arbitrator who had supervision over the operation of the commission rules. During the conference it was suggested that a similar plan might be put into operation here to assist in

ironing out the present chaotic condition of affairs.

It was pointed out, however, that Detroit's situation, while resembling that of other large cities, was different in that the majority of the large bonding companies are represented by branch offices rather than the usual agencies. Not more than three or four of the larger companies are represented in Detroit by general agents only, and these do comparatively little business through sub-agents, it was pointed out. Consequently the situation here has resolved itself primarily into a branch office problem.

### Appoint Detroit Committee

Following a general and intensive discussion of the Detroit situation, Mr. Straughn was authorized to appoint a special committee of five Detroit surety men for the purpose of outlining some plan which would bring relief to the situation and result ultimately in putting into effect the original acquisition cost rules. Any plan to be considered will be reported back to the committee in a general meeting to be held at a later date.

The general opinion in Detroit prevails that the ultimate solution to the problem here will necessitate a complete agreement between home offices, branch offices and general agencies before the acquisition cost rules can be made effective here.

### Number of Important Agencies

In this connection it has been pointed out that there are a sufficient number of independent insurance agencies operating in Detroit whose business volume is sufficient to be attractive to any surety company. The net result of this situation has been that these producers are able to get top commissions merely because of their intensive competition for business with other companies.

One suggestion has been advanced as a remedy for this particular phase of the Detroit situation. It includes the placing of these important agencies in a special class of their own in which they would receive a higher rate of commission than the ordinary local agent and that any company might pay this increased commission rate to them for bonding business. It is believed that the committee will consider this recommendation in their deliberation. At the present time the payment of high commissions to local agents controlling a minor volume of business is general in Detroit. Leading surety men hope that the committee will be able to produce a solution that will definitely relieve the dangerous situation now in existence.

### ADJUSTERS ORGANIZE CLUB

**Washington Claim Men Elect W. L. Vermillion President—Membership of 20 Meets Semi-monthly**

The Claim Adjusters' Club of Washington, D. C., was organized at a meeting of Washington insurance adjusters. By-laws were adopted and the following officers elected for the ensuing year: President, W. L. Vermillion, Aetna companies; vice-president, Vernon A. Nichols, independent adjuster; secretary, Charles E. Pledger, Jr., Mutual Insurance Agency; treasurer, David H. King, Indemnity of North America.

The purposes of the club are to foster a better feeling among the various insurance claims adjusters of Washington, who of necessity must at times appear on opposite sides of disputed cases; to cooperate in the handling of claims; and for the interchange of experiences and information tending to produce better results and a larger satisfaction generally in the settlement of all classes of insurance claims.

The members have been meeting twice each month for luncheon for about three months, prior to their formal organization. Meetings will continue semi-monthly. The club numbers about 20 members at the present time.





# Something ALL AGENTS Can Sell

## THE MERCHANTS PROTECTIVE BOND

Ten Different Forms of Protection in ONE BOND

### WHAT IT COVERS

#### 1. DISHONESTY

—\$100.00—

Insures you against loss through larceny or embezzlement of money or personal property occurring upon your premises by any of your employees.

#### 2. INSIDE HOLD-UP

—\$100.00—

Insures you against loss of money or personal property through hold-up while your place is open for business.

#### 3. OUTSIDE HOLD-UP

—\$100.00—

Insures you against loss of money or personal property through robbery or hold-up of you or any of your employees while transporting money or property belonging to you within twenty miles of your place of business.

#### 4. SAFE DAMAGE

—\$100.00—

Insures you against loss of money or personal property through the forcible opening of your safe, when you are not open for business.

#### 5. FORGERY

—\$100.00—

Insures you against loss through forgery of your signature to your personal or business checks, also insures you against loss by altering or raising of such checks.

#### 6. FAKE MONEY

—\$100.00—

Insures you against loss through the acceptance of any United States counterfeit money. If you take in a bad \$50.00 bill, we will give you a good one for it.

#### 7. CASH REGISTER

\$100.00—Damage

Insures you against loss through damage to your cash register by forcible entry.

#### 8. PLATE GLASS

\$100.00—Damage

Insures you against loss through damage to your plate glass doors, bars, locks, metal screening, etc., through felonious and forcible entry into your place of business.

#### 9. Stocks & Fixtures

\$100.00—Damage

Insures you against loss to stock and fixtures caused by the forcible entry to your safe by the use of explosives.

#### 10. REWARD

—\$100.00—

The New York Indemnity Company will pay a reward of \$100.00 to anyone who will give information leading to the arrest and conviction of any person committing burglary, robbery or murder upon your premises.

**\$1000.00 TOTAL—Premium for One Year \$17.50**  
Less than 34 cents a week



[Just tear out this advertisement, write your name  
and address on the margin, mail it, and we will  
send you a specimen policy and further information.]

# New York Indemnity Co.

115 BROADWAY, NEW YORK CITY

WILLIAM B. JOYCE, *Chairman*

SPENCER WELTON, *President*

## Why Surety Companies Insist on Collateral

WHY does a surety company charge a premium for a bond and then insist upon a deposit of collateral security to protect it from any loss? This question is frequently asked, not only by applicants, but also by agents. In the "Hartford Agent" some reasons for this demand on part of surety companies are interestingly set forth.

In order to justify a request for collateral, a surety underwriter, as it points out, frequently refers to the practice of banks in demanding collateral on loans. The analogy is very apt. Banks require collateral on loans in all cases where the financial statement of the applicant does not permit them to waive it. Surety companies, likewise, require collateral on bonds in the nature of credit guaranties in cases where the financial worth of the applicant does not measure up to certain well established underwriting standards. To make the comparison more impressive, surety underwriters sometimes refer to the fact that banks receive about 6 percent for their credit loan, whereas surety companies receive for practically the same service, 1 percent. For this reason and others, surety companies feel that their requests for collateral are perhaps more justified than those of the banks.

## COMMONWEALTH MAKES STRONG APPOINTMENTS

Ralph J. Rush of Fort Wayne, Ind., has been appointed general agent of the Commonwealth Casualty for a number of counties centering about that city. W. E. Gregory is special agent for Mr. Rush in this territory. Robert H. Beard & Co. of Chicago have been made resident managers of the Commonwealth Casualty in that city. They have represented the Commonwealth for a number of years. C. M. Althoff has been appointed resident manager in Michigan for the Commonwealth Casualty with headquarters in the Book building at Detroit. He will have supervision of the company's business in the entire state.

## Organizing Motorists Casualty

NEW YORK, Oct. 31.—With a proposed capital of \$150,000 and surplus of \$75,000 the Motorists Casualty of Newark, N. J., is in process of organization. According to its prospectus the company is being formed "to write insurance for its stockholders and members of the Motor Club of New Jersey and similar groups, at a saving of 20 percent from prevailing insurance costs to policyholders." The Motor Club, it is stated, has a present membership of 5,000, "the largest of any club in New Jersey, and its membership is rapidly increasing." The officers of the Motorists Casualty are: President, Harry Green; vice-presidents, George M. Demarest and Harry Friedman; secretary, Ira J. Katchen; treasurer, Leo S. Carney; assistant secretary, Philip Rose; assistant treasurer, Emanuel London; medical director, Aaron E. Parsonnet, M. D.; comptroller, Hyman Besser; general counsel, Samuel G. Meisterman.

## Association Not Active

The Association of Ohio Mutual Casualty Companies, which was organized a few years ago with E. Gilbert Robinson, secretary of the National Masonic Provident of Mansfield, O., as president, has never been brought into play to any extent. There does not seem to be any particular demand for an organization of this character. President Robinson has recently taken up the subject with officials of other Ohio companies to find out whether they favor continuing the organization or not.

## James M. Bugbee Resigns

James M. Bugbee, for the last eight years secretary-treasurer of the Associ-

ated Companies, has resigned to become connected with a southern company. Mr. Bugbee went to Hartford in 1920, shortly after he was graduated from the Massachusetts Institute of Technology, and immediately went with the Associated Companies, which at that time was a pool of 10 casualty insurance companies, formed to carry risks of any unusually hazardous nature. At the present time, only four companies remain in the pool, the Hartford Accident & Indemnity, the Maryland Casualty, the Standard Accident of Detroit and the United States Casualty.

## JOHN D. PHARAOH JOINS COMMONWEALTH CASUALTY

John D. Pharaoh, 2nd, for the past nine years manager of the Philadelphia branch office of the New Amsterdam Casualty, has joined the Commonwealth Casualty as city secretary, according to an announcement issued by E. W. Cook, vice-president and general manager of the Commonwealth.

Mr. Cook said that the company's idea was to strengthen the organization locally and to make a more intensive drive for Philadelphia business. Mr. Pharaoh, he said, will have direct supervision of all the city business.

Mr. Pharaoh, who has been in the casualty business since 1907, had been asked by the New Amsterdam to enter the home office in an official capacity. He declined because his home and business were in Philadelphia.

He is a former president of the Philadelphia Casualty Underwriters Association, of which he is still a member of the executive board, and is also treasurer of the Insurance Federation of Pennsylvania.

## Phister Agency Appointed

The Massachusetts Bonding has appointed the Phister Insurance Agency of Kansas City and St. Louis general agents for Missouri, Kansas and southern Illinois. It has appointed Laurance H. Phister resident vice-president for that territory. The Phister Insurance Agency has resigned the general agency of the Maryland Casualty.

## Aetna Insures Camel's Life

KANSAS CITY, MO., Oct. 31.—For the second time on record a camel has had its life insured. The Kansas City branch of the Aetna Life and affiliated companies, through the Anderson & Bramble agency, wrote a \$1,000 policy on a camel belonging to the Kansas City zoo. The camel was borrowed by the Shrine of Kansas City, which was holding a parade in Olathe, Kan. The policy covered any injury to the camel during its short sojourn into Kansas.

Another unusual policy written by the Aetna last week was a burglary policy, written for the W. A. Osgood agency, providing \$60,000 inside and outside holdup for the charity drive workers in the annual charity drive for \$1,115,000. This included messengers as well as volunteer workers.

## Mullen on Western Trip

J. Chester Mullen, assistant superintendent of the compensation and liability department of the Employers Liability and American Employers, is on a western trip in the course of which he will visit the offices of R. B. Jones & Sons, Kansas City, Mo.; Ashton Insurance Agency, Kansas City; Insurance Agency Company, St. Louis; Stone, Stafford & Stone, Indianapolis; Thomas E. Hanlon, Cincinnati, and the James & Manchester Company, Cleveland. Mr. Mullen will confer with the field representatives on various matters of business.

## No Insurance, Lose Licenses

DENVER, Oct. 31.—The law in Colorado prescribes that automobile companies doing a "for hire" business, sightseeing, etc., must carry liability insurance and make reports to the public utilities commission the same as railroads. Some failed to take out the insurance and their licenses were canceled. "It's the only protection the passengers have," is the way the commission said it up.

## Big Field for Aircraft Property Damage Shown

THE "Hartford Agent" carries an interesting article showing what the growing use of aircraft is going to mean to those who loan money on buildings. Local agents, it is pointed out, can well and profitably devote a part of their time to the solicitation of aircraft damage insurance and the holders of mortgages are good prospects for such solicitation, especially where the large part of the security for mortgage loans is buildings:

"For," says the "Hartford Agent," "if a motor should tear itself from a plane, as one did a few weeks ago near Hartford, and in falling crash through a home or a public building, there is the possibility that the damage caused would be so great as to seriously impair the value of the building as security for the mortgage upon it. Institutions putting out trust funds or trustees loaning money for estates are beginning to look to Hartford agents for Hartford policies to safeguard such moneys against loss by a crashing aircraft."

"Here is the tip for agents: Get in touch with mortgagees and show how, for a small premium of just 10 cents per \$100 a year (minimum premium \$5) or 25 cents a hundred for three years (with a minimum premium of \$12.50) this hazard can be passed on to the Hartford. If agents will pass the information of the desirability of aircraft damage insurance along to those who loan money on property, arrangements for this new coverage can be made, especially when new loans are made. Buildings covered by a bond issue are also in the same class. Such buildings are exposed to extensive damage, for if a heavy plane should fall and hit such a building, damages running into thousands of dollars to the security of a bond might readily occur."

## Egloff Addresses Gatherings

MILWAUKEE, Oct. 31.—Two big agency meetings were addressed last week by John Egloff, supervisor of the agency field force of the Travelers, who was on the Wisconsin Insurance Day program. W. J. Tucker, local agent at Beloit, held a meeting at which about 60 agents from adjoining towns and every insurance agent in Beloit were guests. Mr. Egloff addressed this group on "Insurance Salesmanship."

The Milwaukee branch of the Travelers held a meeting with nearly 100 members of the branch office staff, agents and brokers of Milwaukee in attendance. Mr. Egloff discussed multiple line salesmanship to this group and its relation to the burglary, boiler and plate glass insurance.

## Anderson Joins Union Indemnity

The Union Indemnity announces the appointment of G. M. Anderson as special agent for Tennessee and Kentucky. Mr. Anderson has had many years of experience in special agency work in the various casualty and surety lines. He was formerly with the Fidelity & Casualty and prior to that with the Hartford Steam Boiler, where his work gave him an intimate knowledge of the territory embraced by Kentucky, southern Indiana and Tennessee.

## Visit Milwaukee Branch

MILWAUKEE, Oct. 31.—The Milwaukee branch of the Travelers was visited last week by five home office representatives who held conferences while here and who attended Wisconsin Insurance Day. In addition to John Egloff, who was on the insurance day program, the other home office men included J. W. de Forest, assistant superintendent of agents; Tom B. Blocker, superintendent of instruction and training; W. L. Murrell, group supervisor, and P. F. Burke, assistant claim manager.

## Consent to the Form

NEW YORK, Oct. 31.—Aside from several minor changes in phraseology, the form of liability insurance policy issued in this state under the provisions of the compulsory act now continue through 1929. The only company that raised ob-

jection has withdrawn its protest and assented to the existing form. In the light of this unanimity of opinion the intended conference of company men with the insurance department will not take place.

## N. Y. Indemnity Appoints Two

The appointment of H. S. Vreeland as manager of the surety department and of Gerald Dempsey as manager of the casualty department of the Los Angeles branch of the New York Indemnity has been announced by Robert I. Boswell, resident vice-president for the company. For the past year and a half Mr. Vreeland has been assistant manager of the surety department at Los Angeles for Swett & Crawford, underwriting managers for the Pacific Indemnity, and was formerly manager of the surety department of the Columbia Casualty's branch there. Mr. Dempsey was formerly assistant manager of the casualty department, from which position he is promoted by his new appointment.

## Insure Buses or Lose Licenses

AUSTIN, TEX., Oct. 31.—Failure to carry indemnity and liability insurance by bus owners for their lines leaves them liable to cancellation of their licenses to operate in the future, the Texas Railroad Commission, which has jurisdiction over bus lines in Texas, announced last week. Hearings will be held to determine whether or not permits should be canceled when violations of the law are reported.

## Fidelity & Deposit Changes

BALTIMORE, Oct. 31.—The following changes in field forces have been announced by the Fidelity & Deposit: J. F. Truitt, formerly adjuster in Charlotte, N. C., has been transferred to Detroit as assistant to I. L. Palmer. R. R. Reed, formerly assistant to Mr. Palmer in Detroit, has been transferred to Charlotte as attorney and adjuster for that territory.

## Arguments for Golf Policies

Agents who need specific cases with which to reinforce their arguments for golfers' policies, particularly for the liability coverage, should keep systematic track of newspaper accounts of accidents occurring on the golf links and liability suits arising therefrom. The "Hartford Agent" for October reproduced a number of typical newspaper accounts of such accidents and shows how they can be used to sell golfers' policies.

## Detroit Managers Get Together

DETROIT, Oct. 31.—An informal organization of casualty and surety branch office managers has been effected in Detroit. A luncheon and meeting is held every two weeks, at which the problems of the business are discussed. Although there is no regular casualty and surety association of this kind in Detroit, it is possible that these informal meetings may later result in a definite formation of such an association. In past years this city has had an active and effective casualty and surety organization, and it is hoped that the new informal group meetings may later become solidified into a permanent organization.

## Study Three Cab Ordinances

Three ordinances requiring taxicab operators to carry insurance for the protection of patrons, pedestrians and private car owners were referred to Neil M. Cronin, city attorney, by the Minneapolis city council committee on traffic and licenses, following a public hearing.

The proposals before the committee include fixing a minimum of \$5,000 for personal injury or death to one individual and \$1,000 property damage, to \$75,000 liability on cab operators with more than 150 cars. A report on the ordinances will be made Nov. 13.

## Van Vliet Joins Kinney Agency

Charles T. Van Vliet of the Hartford Accident and liability departments in the general agency of Frank M. Kinney at Springfield, Mass. Mr. Van Vliet has been in the insurance business in Hartford for many years, several of them with the Hartford Accident & Indemnity as supervising safety engineer.

He was also connected with the Aetna Life and affiliated companies for several years and later with R. C. Knox, general agent for the Aetna companies.



## WORKMEN'S COMPENSATION

### REPORT TEXAS EXPERIENCE

#### Number of Accidents Wanes But Total Disbursements Show Increase Over Previous Year

AUSTIN, TEX., Oct. 31.—A chronicle of increasing cooperation between employers and employes in Texas, advocating an educational campaign to further lessen industrial accidents, and marking the need for legal representation for minors in industry, are the highlights contained in a two-year report just made Dan Moody by members of the industrial accident board.

During the past year insurance companies have paid out a total of \$7,530,814, according to figures of the board. There are about 60 companies now writing workmen's compensation insurance in this state.

#### Number of Accidents Reduced

During the time from Sept. 1, 1926, to Aug. 31, 1927, there were 125,565 accidents reported and from Sept. 1, 1927, to Aug. 31, 1928, there were 109,789 accidents reported. In the corresponding periods, 514 fatal accidents were reported in the first year and 417 in the past year, with \$1,149,490 being paid out in death claims during the first named year and \$1,296,615 in disbursements during the second period. For the same periods, \$2,280,430 and \$2,340,619 was paid out for surgical and medical fees. Total disbursements during the first year were \$7,338,383 and for the second year they amounted to \$7,530,814.

The total number of awards made on disputed claims for the first year were 1,836 and during the second 1,917 were settled. Of the awards, 1,515 were made in favor of the claimants in the first year

and 1,512 were settled in favor of the claimants in the second year.

#### Coal-Mine Fatalities in September

Accidents in the coal mining industry of the United States in September caused the death of 148 men, according to reports received from state mine inspectors by the United States Bureau of Mines. Of the 148 fatalities reported, 113 were in bituminous mines in various states and 35 in the anthracite mines of Pennsylvania. While the anthracite death rate for September, 1928, showed a slight increase, the total rate and that for bituminous showed a decrease. This also is true as compared with the record for August of the present year.

Reports made to the Bureau of Mines for the first nine months of 1928 show that accidents at coal mines caused the loss of 1,580 lives as compared with 1,709 for the same period of 1927.

The production of coal thus far in 1928 is 407,471,000 tons and the fatality rate is 3.88 per million tons produced; coal production from January to September, 1927, was 452,253,000 tons, with a fatality rate of 3.78.

There were no major disasters—that is, accidents which caused the death of five or more men at one time during September—but there have been 11 such disasters, resulting in the death of 308 men, since Jan. 1. There were eight major disasters during the corresponding months of 1927, with a resulting loss of 155 lives.

The rate for explosions of gas and coal dust is considerably higher because of the heavy loss of life in major disasters during the present year, particularly during the month of May.

#### Propose South Dakota Substitute

PIERRE, S. D., Oct. 31.—A number of the employers of labor in South Dakota who have only a small number of employes on their payroll are objecting to the restriction of the present workmen's compensation law, and are attempting

to shape up action in the next legislative session. They accept the theory of protection of employes, but insist that a plan of health and accident insurance carried jointly by the employer and the employes personally would be more satisfactory to both, as it would give relief for disability on account of illness, as well as for disability by accidental injury.

This has been suggested at different times for several years, but never carried to the point of attempting to secure legislation which would give it a standing in lieu of the regular workmen's compensation law of the state.

#### Set Date for Hearing

RICHMOND, VA., Oct. 31.—All rules, classifications and rates filed on Oct. 2 by the 47 companies writing workmen's insurance in Virginia for the approval of the state corporation commission have been suspended by that body, pending an investigation "into all matters pertinent to what are fair, just, adequate, reasonable and non-discriminatory rates and premium charges, classifications,

rating plans, rating methods and rate schedules." The opening of the inquiry has been set for Dec. 5.

The companies are given until Nov. 16 to file with the commission a statement setting forth specifically each rate, charge rule or regulation contained in the schedules, manuals and other papers filed on October which differ from those now in effect and which were applied before June 16 when all insurance affairs in the state were placed under the control of the commission.

#### September Shows Decrease

COLUMBUS, O., Oct. 31.—September, with 83 fatal industrial accidents in Ohio, showed a decrease of 38 compared with August. This is the lowest monthly record since April and is two fewer than September a year ago. Thirty-five of the 88 counties reports fatalities, 10 having reductions. There were increases in 16 counties and nine had the same number as in the previous month. Cuyahoga county (Cleveland) had 12 fatal industrial accidents, a reduction of 14.

## WITH BURGLARY UNDERWRITERS

### FIND RING OF FUR THIEVES

#### Seven Arrests Made in Detroit—Organized Looting on Interstate Bases Alleged

DETROIT, Oct. 31.—City police, private detectives and insurance company investigators are attempting to run down members of an interstate gang of fur thieves who, it is alleged, have obtained thousands of dollars of fur coats and other expensive feminine apparel from Detroit merchants, transported them to Chicago and other cities in Illinois, Indiana and Ohio and disposed of them to escape detection.

Existence of the ring of organized thieves was confirmed through the arrest

of five women and two men last Friday. All claim Chicago as their home.

Police believe that they are affiliated with the ring which has victimized Detroit shop owners out of thousands of dollars of merchandise, chiefly consisting of fur coats and other expensive apparel. Detectives claim that the gang had hired thugs to holdup shops in the outlying districts and take apparel which was turned over to them, as well as cash which was split between the members. The furs and other articles were then delivered to another man who arranged for their transportation to other states. A considerable amount of such loot has been recovered in Chicago, police say.

Several insurance companies have made complaints to police that insurance on fur goods had to be paid be-



**Capable management, ample resources,  
plus enthusiastic co-operation, are  
constantly adding to the number of  
our live wire producers. Our  
organization will stand  
the test of critical analysis.  
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**Officers**

Joseph W. Ward . . . President  
J. Ray Donahue . . . Vice-President  
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Frank P. Martin . . . Vice-President  
E. C. Smith, Jr. . . . Vice-President  
John F. Collins . . . . . Treasurer

**PENNSYLVANIA SURETY CORPORATION**  
**WABASH BUILDING** **PITTSBURGH, PA.**

cause of the apparent systematic looting of such shops. Detectives said they expected to arrest others in the gang within the next few days.

#### Vigilantes to Use Shotguns

OKLAHOMA CITY, Oct. 31.—At the suggestion of Eugene Gum, secretary of the Oklahoma Bankers Association, the "vigilantes," organized to prevent bank robberies throughout the state, have substituted shotguns for rifles. Shotguns have been found to be more effective for close range protection and many of the vigilantes are being equipped

with this weapon in addition to rifles. Vigilante committees are organized in half the counties of the state.

#### Detroit Office Held Up

DETROIT, Oct. 31.—Two armed bandits bound 29 salesmen and officers of the Western & Southern Life office at 11640 Jefferson avenue, following a sales meeting, and escaped with \$1,000 cash and undetermined amount in checks.

Superintendent Roy Carson saved other money and cash by throwing them in a waste basket.

The company lost \$700, the remainder being taken from the salesmen.

the loss of the middle finger of his right hand.

#### Opens Richmond Office

The Mutual Benefit Health & Accident of Omaha, which recently entered Virginia, has opened offices in the Times-Dispatch building in Richmond in charge of Swift Hooper, Jr., formerly of Winston-Salem, N. C.

#### Louisville Company Changes Name

The Louisville Life & Accident, which recently completed its organization, has

filed amended articles of incorporation changing its name to the Kentucky State Life.

#### Accident Notes

Despondent because of ill health, Marlon L. Condit, 65, of Evansville, Ind., manager of the Washington Fidelity National branch office there, committed suicide at his home by taking poison.

J. A. Bronson of Spokane, Wash., for many years with the Aetna Life, has been named as general agent for Mutual Benefit Health & Accident of Omaha and the United Benefit Life.

## ACCIDENT AND HEALTH

### OCCUPATION IS NOT CHANGED

#### Emergency Laboring Work of Executive Does Not Alter His Industrial Status, Court Holds

In *Elkins vs. Aetna Life*, District Court S. D. Texas, 26 Fed.(2d) 277, the defendant issued an accident policy and gave the insured the classification of an "oil-well broker, salesman, or supply dealer, office duties and traveling." Subsequently the insured became a superintendent of production in the employ of an oil corporation.

A fire broke out and the insured lost his life by the explosion of a pipe near where he was assisting in putting out the fire. At the time of his death the insured had a hoe in his hand, and was attempting to put out a fire which was burning in a stump near the pipe that exploded.

#### Company Disclaims

On this fact the company took the position that the insured was working as a common laborer at the time of his death. In other words that the insured had changed his occupation within the terms of the policy, and therefore the company should be held liable only to the prorated clause of the policy for the occupation of laborer. In passing upon this point and in deciding against the contention of the defendant the court reasoned as follows:

"Apart from the rule that policies must be construed most strongly against the company, I think as a matter of common justice and fairness it is most unreasonable to say that a person employed in a supervisory capacity passes out of his occupation and becomes a laborer merely because, in an emergency, he puts his brains to work directly by his own hands, instead of by orders through the hands of another, and I think under the evidence in this case that what Tough did was as much in the line of his duties as an officer and agent of the company, as such work if done by a laborer would have been in line with his.

#### Was Not Common Laborer

"If mistaken in this view of the facts, however, it is yet plain that the deceased was not actually engaged in the occupation of a common laborer, or doing any act or thing pertaining to that as an occupation, but that what he did was merely casual and incidental and under an emergency, so that, for a much stronger reason, the cases holding that the clause invoked by defendant does not apply to mere casual act apply here. \* \* \*

"I therefore reject as wholly untenable defendant's suggestion that plaintiff's recovery should be on the basis of a common laborer. \* \* \* Believing, as I do, that the prorated clause has never been operative, it follows that plaintiff should have judgment on that policy as written for the full amount."

#### Germ-Accident Decision Upheld

Affirming judgment of the Richmond district court, the United States Circuit Court of Appeals for the Fourth circuit holds that Annie Scott Willis is entitled

to recover on an accident policy which her sister, Bessie Milton Willis, carried in the Continental Casualty. It appears that the insured in her profession as a nurse contracted septicaemia, or blood poisoning, and died in a Richmond hospital following an illness of several weeks. When she was first examined by physicians, an abrasion was found in the skin of the ball of the index finger of her right hand. It was conceded that her death resulted from septicaemia. It was also conceded that the germs of the disease entered through an abrasion on her finger. The company contended, however, that the abrasion was caused by the improper use of a disinfectant and consequently did not result from purely accidental means.

#### Commercial Casualty's New Policies

The Commercial Casualty is withdrawing its old "complete disability policy," form 83-A, and in its place has announced the "new complete disability policy," form 129-A. Under this policy, after five years' indemnity for total disability due to accident has been paid, an additional five years' indemnity is provided at one-fourth the monthly indemnity. Illness coverage is increased from six to 12 months and the insured is allowed the choice of hospital or graduate nurse's fees. The other features of the old policy have been retained.

The company also announces another new form, the "guardian disability policy." This policy does not provide indemnity for the first week of disability resulting from illness or accident and no provision is made on the rate sheet for the attachment of a rider to cover the first week.

#### Executive Committee Meeting Called

Notices are being sent out this week by Chairman J. W. Scherr of the meeting of the executive committee of the Health & Accident Underwriters Conference to be held in New York City Wednesday, Dec. 12, at the time of the meeting of the insurance commissioners and the Life Presidents Association. It is expected that the time and place for the next annual convention will be fixed and other important business matters are expected to be brought up at that time.

#### Chandler Goes to Coast

PHILADELPHIA, Oct. 31.—Gilbert V. Chandler, Jr., for several years industrial agency superintendent and superintendent of the industrial department of the General Accident, has been appointed district manager of the company's San Francisco agency with jurisdiction over northern California. The San Francisco agency is the second largest of the General Accident in volume of industrial premium collections.

Prior to coming with the General Accident, Mr. Chandler was superintendent of the commercial accident department of the Massachusetts Bonding.

#### Violinist Takes Policy

Francis Macmillen, well known violinist, has had issued to him a policy amounting to \$100,000 indemnity for loss of both his hands. Mr. Macmillen was induced to take this policy largely as a result of a recent accident to Fritz Kreisler, which prevented him from appearing in a concert. C. W. Olson & Co. of Chicago wrote the policy through the Zurich General. Mr. Macmillen stated that he could continue unhindered in his work except through

## AMONG SURETY MEN

### INSPECTION BUREAU FORMED

#### Fidelity & Deposit Will Have Inspector in Each District to Pass on Public Official and Judicial Risks

BALTIMORE, Oct. 31.—The organization of an inspection bureau under the direction of George R. Babylon, which will pass on all public official and judicial risks and operate under the supervision of the judicial and public official departments, is announced by the Fidelity & Deposit. Under the plan the entire country is divided into districts and an inspector assigned to each district. In its announcement of the new bureau, the Fidelity & Deposit said:

"The aim of this new bureau is not to create a new system altogether, but to improve and make better known to our producing representatives in the field a service the company has been rendering in the past and which it proposes to render in a more concentrated and effective way in the future. In this way it is hoped that through the contacts of the inspectors the branch managers will in reality be brought into closer and more intimate contact with these agents, especially those in the smaller places and at the same time permit the branch managers to take advantage of the policy of the company of allowing the men assigned to this bureau to be taken into their own organizations as the occasion demands and the merits of these men warrant advancement to broader fields of production."

#### STANTEN WILL HEAD THE CHICAGO SURETY BODY

The Chicago Surety Underwriters Association nominating committee has recommended that Arthur G. Stanten of the Massachusetts Bonding be made president; Timothy E. Dunne, Union Indemnity, vice-president; Elmer C. Anderson, American Employers, secretary; Frank C. McVicar, Detroit Fidelity & Surety, treasurer. Membership of the two committees is recommended as follows:

Executive and Acquisition Cost Committee—R. E. Cline, Aetna Casualty & Surety; W. H. Hansmann, American Bonding; J. L. Maehle, American Surety; A. A. Korte, Fidelity & Casualty; W. G. Kress, Fidelity & Deposit; G. H. Fox, New Amsterdam Casualty; W. O. Schilling, United States Fidelity & Guaranty.

Complaint Committee—C. C. Blackwell, Constitution Indemnity; J. Hartmann, Royal Indemnity; A. C. Arnold, Standard Accident.

The election will take place at the annual meeting to be held in November, the time and place to be decided by the entertainment committee.

#### SURETY PRESIDENT POINTS OUT DANGER

In an article in the current number of the "Financial Digest," R. R. Brown, president of the American Surety, declares that the present widespread interest in the stock market creates a serious situation for surety underwriters, in that speculation is one of the most prolific causes of loss under fidelity bonds. Salaried employees are tempted to invest

in securities in the hope of scoring a speedy and substantial profit, and not infrequently "borrowing" the money of their employers to take advantage of "straight tips" and eventually becoming hopelessly involved. Every sharp reaction in the stock market is followed by a large number of claims against surety companies for defaults by trusted employees.

#### Execution of Bond

Defendant in error Sterchl had an indemnity bond to protect him against mechanics' liens on a building which he was erecting. The bonding company resisted its liability on the ground that the agent executing the bond did not have authority to issue such bond except with the signature of one of the local attorneys. Held that inasmuch as the bond was issued under the corporation seal of the bonding company, and that the act abolishing seals in Tennessee specifically omitted corporation seals, the bonding company was precluded to deny its liability. Writ denied. *Cockrum Lumber Co. vs. Sterchl*, Sup. Ct., Tenn.

#### Require Bond for Filling Station

An important precedent from an insurance and bonding standpoint has been established by the city council of Bradford, Pa., in passing favorably on the application of the Bradford Filling Stations for permission to construct a large filling station at Main and Congress streets, that city. After long consideration the council granted the permit but only on condition that the proprietors file with it a \$10,000 bond guaranteeing to reimburse the city in any possible actions that might be the outgrowth of traffic accidents resulting from construction of the station.

#### Interest in Surety Lectures

NEW YORK, Oct. 31.—As indicating the interest taken in the intermediate course in suretyship given by the Insurance Society of New York under the auspices of the Insurance Institute of America, 124 students were on hand at the opening lecture on Oct. 18, delivered by M. A. Welsh, superintendent of the fidelity department of the Fidelity & Deposit. George E. Hayes, vice-president of the Union Indemnity, and chairman of the committee on lectures, has called to his aid Martin W. Lewis, assistant manager of the Towner Rating Bureau, who will actively interest himself in the work.

#### Is Wife Interested in Business?

WEST ALLIS, WIS., Oct. 31.—The city attorney here has been asked for an opinion as to whether a wife can be considered financially interested in her husband's business merely because of the marital relation. Aldermen brought up this matter because Mrs. Henry Meigs, wife of the resident vice-president of the Southern Surety in Milwaukee, and member of the firm of Meigs & Cope, general agent for the Southern Surety, is a member of the school board.

The council is of the opinion that because Mrs. Meigs holds a public office and her husband writes surety bonds, they are illegal under the law which forbids public officials from doing business with the city.

#### Milwaukee Association Active

MILWAUKEE, Oct. 31.—In order that county and school district officials in Wisconsin may become fully acquainted with the statutes on the filing of surety bonds for depositories, the Surety Un-



derwriters Association of Milwaukee, at its meeting last week decided to send copies of the laws to such officials.

It was also decided to send out to various banks in Milwaukee county, depository bond applications for county funds and such applications to be filed with the association.

Arthur Angove of Chris Schroeder & Sons Co., representing the Massachusetts Bonding, was elected vice-president of the association to fill a vacancy.

#### U. S. F. & G. Appointments

BALTIMORE, Oct. 31.—The United States Fidelity & Guaranty announces the appointment of G. Leo Chilcote as superintendent of the bank fidelity division and Thomas J. Clagett as assistant superintendent of the mercantile fidelity division.

#### Bond Covers Gasoline

The gasoline and oil used by a contractor in gasoline driven machinery on a job covered by a bond must be paid for by the surety in case of default by the contractor, according to a decision of the Kentucky Supreme Court in the case of Mid-Continent Oil Co. vs. Southern Surety.

#### Won't Contest Legality of Bonds

MILWAUKEE, Oct. 31.—The common council of West Allis, suburb of Milwaukee, has decided not to contest the legality of school maintenance bonds underwritten by the Southern Surety. The question of legality had come up because Mrs. Henry Meigs, wife of the resident vice-president of the Southern Surety at Milwaukee, is a member of the school board.

#### Appointed Resident Managers

Robert H. Beard & Co. of Chicago, who have represented the Commonwealth Casualty in Cook county for a number of years, have just been made resident managers for the company in that territory.

The Guardian Casualty of Buffalo, N. Y., has been licensed in Illinois.

## PLATE GLASS INSURANCE

### DISCUSS FIELD CONDITIONS

#### Plate Glass Company Men Adopt Some Recommendations That Go to National Agency Committee

NEW YORK, Oct. 31.—Field conditions in plate glass insurance were considered at a gathering of company executives in this city some days ago, following which a series of recommendations was sent the national agency committee of the Casualty Acquisition Cost Conference. In the minds of a number of agents, disturbed situations can best be handled by local bodies, acting perhaps in concert with home office representatives, but given power to initiate movements in circles in which the agents are better posted as to conditions than company executives or divisional heads could possibly be. While the competition supplied by organizations issuing the 50-50 policy continues to excite some interest, general opinion now holds that established offices have little to fear in such direction. There is apparently no intention on the part of any of the companies to write this form of contract, although one or two have intimated that they might do so as a last resort, where an agent insisted there was no other way of retaining a particularly desirable account.

#### Enters Plate Glass Field

The Fidelity & Deposit and American Bonding in Chicago and Illinois, under the supervision of W. H. Hansmann of Chicago, state manager, have started to write plate glass business. Charles Roth, Jr., who has been five and a half years with the northwest department of the Massachusetts Bonding in Chicago, has been appointed manager of the plate

glass department of the two companies in Mr. Hansmann's territory.

#### Carr Joins Massachusetts

Charles E. Carr has been appointed New York resident manager of the Massachusetts Plate Glass. He has resigned as manager of the Plate Glass Survey Bureau of New York City, a position he has held for the last eight years. Mr. Carr has had more than a quarter of a century of plate glass underwriting experience. He started in the business in 1891 with the New York Plate Glass. The Massachusetts Plate Glass, which specializes in the glass line, entered New York state early this year.

## PERSONAL GLIMPSES OF CASUALTY MEN.

General Manager F. Norie-Miller of the General Accident at its head office in Perth, Scotland, is the Liberal candidate for Parliament in the general election which is expected to take place in Great Britain next May. Lloyd George has already spoken in his behalf at a large meeting. Mr. Norie-Miller has been to this country on numerous occasions and has many friends who hope to see him elected.

Covering northern Wisconsin is a sizeable task, as every commercial traveler in the area knows, but J. C. Hall of Antigo, Wis., general agent of the North American Accident, does it despite his 73 years and he does it on a motorcycle. He took up insurance work in 1884 and says no one today has any idea of how difficult it was to get around the northern part of Wisconsin 44 years ago. He depended on trains to

get from town to town and rented livery teams or hiked about once he reached his destination. Next he got a bicycle, then the motorcycle.

Mr. Hall is a hard rider and thinks nothing of a 300-mile jump in a day. When business requires his presence in St. Paul he makes the 290-mile trip in one day and returns the next. Mr. Hall recently bought an automobile, not to replace the motorcycle but to supplement it in winter when snow hampers the smaller machine.

Vice-president William BroSmith of the Travelers presided at the unveiling of a memorial tablet on the front of its Main street building in Hartford last week. The ceremonies commemorated the seizing and preservation by Capt. Joseph Wadsworth of the royal charter granted to the colony of Connecticut by King Charles II. This charter was hidden in an oak tree when its surrender was demanded. Mayor Walter Batterson, who is also secretary of the Travelers, spoke at the occasion, at which the members of the Connecticut Society of Colonial Dames were present. An incident of interest, according to Mayor Batterson, was the fact that Robert Wadsworth, a descendant of Capt. Joseph Wadsworth, is now employed by the Travelers.

The Casualty Field Club of Illinois will hold its monthly meeting Nov. 5 at the Hotel La Salle. Walter W. Steiner, resident vice-president of the Globe Indemnity, will speak on "The Underwriting of Surety & Contract Bonds."

Christian T. Nelson, claim agent for the Employers Liability at the Fort Wayne, Ind., branch for the last two years, was killed instantly when his automobile was struck at a railroad crossing as he was entering Indianapolis to attend a conference of officials of his company. His wife also was killed, and his wife's mother, Mrs. C. W. Beisbert

## A BOOK ABOUT OURSELVES



### Public Opinion

A reputation is a fragile sort of thing—like a great work of art that may be years in the making and shattered in an unguarded instant.

The Continental's reputation has been thirty years in the making, but we are not unmindful that this asset,

## WRITTEN FOR YOU

though priceless, can easily be destroyed.

Therefore, it is the Company's untiring and unending effort to maintain its service on a plane which will assure the continued high esteem of its agents and policyholders. This regard for reputation is a guarantee to all that Continental standards will always be preserved.

### CONTINENTAL CASUALTY COMPANY CONTINENTAL ASSURANCE COMPANY

910 South Michigan Avenue  
CHICAGO, ILLINOIS

The Affiliated Continental Companies write practically all forms of Insurance and Surety Bonds

## New Amsterdam Casualty Company

**A Progressive  
Surety and Casualty Company**

**A Substantial Conservative  
Automobile Company  
All Forms in One Policy**

## ILLINOIS MOTOR CASUALTY COMPANY SPRINGFIELD

**J. L. PICKERING, President**

**Policyholders' Surplus Over \$375,000.00.**

## WINZER & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

**SPECIALIZING IN  
INSURANCE ACCOUNTING**

**29 South La Salle Street  
CHICAGO**

### "Long Distance Calling"

Automobile dealers and finance companies are calling us on the 'phone to write their Deferred Payments. Maybe it's your town. Why not get the commission? Our representatives are helped through national advertising.

**W. M. Chittenden, V. P.**

**THE GUARANTY LIABILITY AGENCY  
COMPANY**



**Chamber of Commerce Building,  
CINCINNATI, OHIO**

**Companies Licensed in 28 States**

### Payroll Audit Cost Reduced to a Minimum ATWELL & VOGEL

CHICAGO DETROIT INDIANAPOLIS ST. LOUIS KANSAS CITY OMAHA	MINNEAPOLIS SIOUX FALLS SAN FRANCISCO LOS ANGELES PORTLAND SEATTLE
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**C. G. ATWELL, Mgr. 4616 Bruce Ave. MINNEAPOLIS**  
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**Full Coverage  
Automobile  
Insurance  
At  
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Rates**

**Stock Company  
UNDERWRITERS CASUALTY COMPANY  
HOME OFFICE  
PLANKINGTON BUILDING MILWAUKEE, WIS.  
Capital and Surplus  
\$200,000.00**

**Agents Solicited**

of Connellsville, Pa., was so badly injured she died a few hours later in a hospital.

**Norman R. Moray** was dined by his friends in Hartford last Saturday evening, when he spent the week end there. Winchell Smith, the playwright, was toastmaster. About 20 of Mr. Moray's closest friends were present.

**J. G. Yost**, assistant secretary of the Fidelity & Deposit, after trying for many years, won his first low score golf prize at a meeting of the Vermont agents at Rutland this month. Many of the golfers at the home office refuse to believe it, despite the fact that he brought back a handsome golf bag to prove it.

**James L. Rainey** of the Missouri State Life had a sad experience in Chicago on his way to Wisconsin Insurance Day at Milwaukee last week, which almost made him miss his place on the program. He hired a dusky porter to carry his bags for him between stations and when he stopped to send a wire and buy some papers, the porter disappeared and couldn't be found. Mr. Rainey stayed in Chicago over night in an effort to find where his clothes went, but he wasn't successful.

#### Licensed in Eight States

The Reliance Casualty of Newark is now licensed in Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia and Virginia. It writes an experience automobile policy.

#### Propose Compulsory Law

TORONTO, Oct. 31.—A compulsory automobile law, which was discussed at the last session of the Ontario legislature, will again be considered this year, and such a measure is being drafted at the present time.

#### Universal Casualty Enters California

The Universal Casualty of Dallas, Tex., running mate of the Universal Automobile, has received its license to transact a general automobile and casualty business in California. R. H. Jenkins of Los Angeles and San Francisco has been appointed general agent. Mr. Jenkins also represents the Universal Automobile and Trinity Fire, of Dallas, Texas, all three companies being of the same group.

#### Casualty Notes

The New York Indemnity has appointed Albert A. Peters manager of surety production for the company's metropolitan office.

E. G. Watson, field assistant of the Travelers at Spokane for the past four and one-half years, has been transferred to Seattle to act in the same capacity. The Citizens Casualty of Utica, N. Y., has been licensed in Massachusetts. Mart & Flagg of Boston have been appointed agents.

Fred W. McIntosh, western field supervisor of the Monarch Accident and Monarch Life, has appointed Robert H. Turner as district manager at San Francisco.

The Guardian Casualty of Buffalo, Underwriters Reinsurance of Atlantic City and Central Health of Lincoln, Neb., have applied for licenses in Michigan.

The Southern Surety of New York, the Independent Bonding & Casualty of Newark and the Excess of Newark have been licensed in Ohio for casualty business.

At Calgary, Alta., a giant De Havilland airplane plunged to the ground and was completely destroyed by fire. No one was hurt, but the damage to the plane is estimated at about \$34,000.

E. Gray Warner has been appointed claim manager for the Pacific northwest office of the Lumbermen's Mutual Casualty in Seattle, succeeding H. L. Bloom, who has returned to Chicago.

The Detroit branch office of the Fidelity & Casualty announces the appointment of three new special agents for the Michigan territory. The new men are Wilfrid J. Breen, H. Duff Hoblitzell and John F. O'Brien.

Representation of the Aetna Life in Dyer-Jenison-Barry and the Lansing Insurance Agency, Lansing, Mich., has been taken over by Charles W. Powers, who goes from Grand Rapids. Mr. Powers will operate under the general

agency at Grand Rapids of J. A. Bassford.

**Ernest Hofman**, a well known insurance broker of New York, specializing in the placing of jewelry coverages, was this week signally honored by the French Republic through his creation as a chevalier of the Legion of Honor.

### NEW CHICAGO BOARD COMMISSION PLAN UP (CONTINUED FROM PAGE 3)

can not do business with Classes 2 and 3. Non-resident brokers and agents are to be paid 10 and 20 percent throughout Cook county. Employees of members get the Class 3 commission. The territorial subdivision is as follows:

#### 1. Congested District

All that territory within the following boundaries: On the north, Chicago avenue, from Racine avenue to North Michigan avenue, thence south to Ohio street, and thence east to Lake Michigan; on the east, Lake Michigan; on the south, 22nd street, and on the west, Racine avenue and Ann street, and including also all of that territory known as the Union Stock Yards district within the following boundaries:

Beginning at the intersection of West Pershing Road and South Halsted street; thence south to West 47th street; thence west to South Loomis street; thence north to West 45th street; thence west to South Ashland avenue; thence north to West 43rd street; thence west to the center line of South Robey street extended; thence north to the center line of West 41st street extended; thence east to South Ashland avenue; thence north to West Pershing Road; thence east to the place of beginning.

#### 2. Principal City District—Excluding Congested District

Beginning at the intersection of Fullerton avenue with the Chicago river; thence east to Lake Michigan; thence southerly to Oakwood avenue; thence west to Ellis avenue; thence north to Pershing Road; thence west to Halsted street; thence south to 47th street; thence west to Loomis street; thence north to 45th street; thence west to Ashland avenue; thence north to West 43rd street; thence west to the center line of South Robey street extended; thence north to the center line of West 41st street extended; thence east to South Ashland avenue; thence north to West Pershing Road; thence west to Western avenue; thence north to Illinois and Michigan Canal; thence westerly to Crawford avenue; thence north to West North avenue; thence east to North Western avenue; thence north to Belmont avenue; thence southerly along the north branch of the Chicago river to Fullerton avenue at the place of beginning; but excluding that territory defined above as the Congested District.

#### 3. Elsewhere in Cook County

All of that part of Cook county located outside of the Congested District and the Principal City District as above defined.

#### Contingent Commissions

The agreement provides that contingent commissions shall not exceed 10 percent and shall be paid to only Class 1 members. A stipulated form is drawn up. It provides that both the amount of the contingent commission and the basis of computation shall be subject to the scrutiny of the manager of the Chicago Board with power to determine whether it is or may be improperly used for the acquisition of business in violation of the commission rules.

As to salaried offices it is stipulated that the manager shall have power to determine through investigators whether the acquisition cost rules are being violated. He shall submit his findings to an arbitration committee consisting of a chairman of the governing committee of the Western Union, chairman of the executive committee of the Western Insurance Bureau, president of the Chicago Board and manager of the Chicago Board. This committee will pass on the evidence.

It is provided that the manager shall have authority to investigate all bank deposits, to ascertain whether such accounts are being improperly used for the acquisition of business. He shall

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also have authority to investigate the purchase of mortgages or other securities from individuals, banks, or other institutions from which members are receiving business to see whether the rules are being violated.

It is provided that on and after Jan. 1, applicants for Class 1 membership shall be required to have and maintain for at least two years after their election the sole agency of at least one company. This shall not apply to those already holding membership, but applicants applying for membership as members of established firms now holding membership in the board shall be required to satisfy the manager and membership committee that they have acquired a substantial and bona fide interest in the firm and have assumed all obligations and responsibilities attaching to such relationship.

#### Further Restrictions Imposed

All Class 1 members, associated in partnership or corporation must justify their position. All partnership agreements and corporation records shall be open to examination by the manager.

Class 2 members shall pay an annual fee of \$10.

On and after Jan. 1, 1930 no member of any class shall accept or receive office facilities except on the condition that members so housed shall receive a corresponding reduction in commission or brokerage or in lieu thereof shall bear an equitable share of the operating expense of the office.

#### Must File Commission Agreement

Each member of Class 1 shall file with the manager a commission agreement for each company represented. The agreement shall be signed by each member and by an officer of the home office or western department manager and countersigned by the Cook county manager or supervising agent, if such are maintained. Such agreement shall pledge the members at all times to obey and observe the commission rules and requirements of the Chicago Board.

It is provided that the new plan will become effective Jan. 1 next.

### MASSACHUSETTS BACKS MILWAUKEE MEASURE

(CONTINUED FROM PAGE 5)

mittee of 20" and request that article nine be restored to the constitution of the Eastern Underwriters Association.

President Smith read a letter of commendation which had been sent to Wesley E. Monk, retired commissioner of insurance, and read a letter of regret from Secretary Ralph Sweetland of the exchange, who was not able to be present. President Worthley, and Messrs. Warde Wilkins and John C. Caldwell of the exchange, were greeted as being present to represent the exchange.

C. E. Rickerd, of the Standard Accident, president of the International Insurance Advertising Conference, gave a short talk in which he explained the benefits to be derived from scientific and carefully planned advertising. He stated that the insurance business had not kept pace with other lines in advertising its wares.

#### Varney Addresses Meeting

C. W. Varney of Rochester, N. H., recently retired as president of the New Hampshire association, spoke briefly and urged stronger efforts for new members. He told how the New Hampshire association won the cup for greatest increase last year, declared Vermont intended to increase its membership 100 percent the present year, and urged the Bay State to get into line.

Secretary Fred A. Norton of Salem, in his reports, showed the Massachusetts association was doing an annual business amounting to over \$5000, had a good balance in the treasury and had taken in 145 new members during the past year, having now a membership of 436, which was a 26 percent increase.

A question box concluded the last hour

of the afternoon business session and brought out some peppy queries and replies. A suggestion was made that the association prepare and file a bill in the legislature to investigate the labor unions, to counteract their persistency in attacking the insurance business.

H. Ward Bates of Worcester was called upon after his election to the presidency and he promised to give his best efforts to the new task. He asked for help in increasing the membership as he felt the strength of the association lay in its numbers and that town agents benefited as much as city agents through membership in the body.

Dinner was served to some 150 following the business meeting. Walter H. Bennett, secretary-counsel of the National association spoke on "Looking Five Years Ahead"; Ralph G. Hinkley, New England manager of the American, spoke on "Cooperation Between Company and Agent," and John W. Downs, legislative counsel of the association, spoke on "What the Insurance Men of Massachusetts Must Face in 1929."

### HUGE ATTENDANCE AT WISCONSIN MEETING

(CONTINUED FROM PAGE 8)

vice and suggestions are always appreciated.

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Those who came to hear Edward C. Lunt talk on surety underwriting soon realized that Mr. Lunt is as clever an entertainer as he is an authority in the surety business.

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Four former insurance commissioners of Wisconsin were to be seen mingling with their friends in the business during the day. They included Platt Whitman, M. J. Cleary, vice-president of the Northwestern Mutual Life; Emil Giljohann, secretary of the Time of Milwaukee; and Olaf H. Johnson, vice-president of the Underwriters' Agency.

\*\*\*

Among the many prominent insurance men of the country who came to Milwaukee for insurance day were William H. Thompson of the Phoenix, New York; O. H. Beyer, western manager of the Phoenix Indemnity, Chicago; K. V. Rothchild, northwestern manager of the United States Casualty; Charles H. Burras, president of Joyce & Co., Chicago; Harold R. Gordon, secretary of the Health & Accident Underwriters' Conference; E. A. Henne, Chicago, secretary of the America Fore group, and E. M. Griggs, associate counsel of the National Board.

\*\*\*

Harry Curran Wilbur was introduced as the first secretary of the Wisconsin federation. He furnished Wisconsin with some interesting figures for use when the legislature meets on how the companies spend the money they receive in fire insurance premiums.

#### Rights of Pedestrian

Damages for personal injury sustained by pedestrian overtaken and struck by automobile. It would appear that had it not been for the glare of the lights in front and rear, defendant would probably have seen plaintiff, in spite of the darkness and fog, in time to have avoided the accident, either by stopping his car or by swerving slightly to the left. Under these circumstances, the jury was justified in finding him guilty of negligence in not stopping his car, not on account of the fog, but because of the blinding glare of the lights. Sidewalks are for the exclusive use of pedestrians, but the remaining portion of the highway is not for the exclusive use of vehicles. In the absence of statutory or municipal regulations affecting the questions, the pedestrian has equal rights in the street with the operator of an automobile. Verdict for plaintiff affirmed. Cole vs. Wilson, Sup. Jud. Ct. Me.

#### Insurance Being Recognized

How insurance is coming more and more into the courses of study in schools and colleges is told in a recent issue of the Hartford "Agent." Ninety of the leading educational institutions of the United States now teach some form of insurance as part of their regular curriculum.

# The American Agency System

The "Central West" believes in the strict adherence to its basic principles. The Company recognizes the fact that all expirations, policy data, etc., belong to the Agent.

## CENTRAL WEST CASUALTY CO. DETROIT

HAL. H. SMITH, President



T-H-E  
COMBINATION  
I-D-E-A-L

Liberal policies

Good territory

Agency—Building  
Co-Operation from  
Home Office

Efficient Claims  
Service

SUCCESSFUL  
-- NATIONAL  
-- AGENCIES

Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

### NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

Ohio, Indiana, Illinois, Nebraska, Iowa

## Casualty Writing Agencies

Some Good Territory is open for Direct  
Home Office Reporting Connections

## AMERICAN CASUALTY COMPANY

READING, PENNA.

Incorporated 1902

ASSETS \$3,218,290.89

## TRAVELERS COMPANIES RESIGN FROM BUREAU

(CONTINUED FROM PAGE 47)

chasers as well as producers, and since it also believes that such a plan will increase the beneficial effects of stock casualty insurance, the Travelers has been forced, after exhausting all cooperative means, to take the step which will make a Travelers plan of instalment payment available. The Travelers will proceed as soon as possible to promulgate a plan for application to its territories.

"In due course the Travelers will consider and inaugurate other changes in practice which are calculated to increase the beneficial effects of stock casualty insurance; meanwhile the company wants it understood by producers as well as salaried representatives that the Travelers will continue to observe National Bureau rates, rules and regulations for all lines within bureau jurisdiction. The resignation was not predicated upon a desire or expectation to cut loose from the established order. Neither is the action designed to give the Travelers competitive advantage.

### Observe Bureau's Rules

"The company has advised managers that it will not tolerate any departures from existing bureau rates, rules or regulations, or any unauthorized acts of the field organization: The Travelers is confident that any changes that the home office may inaugurate and authorize in the future will be above criticism for the reason that they shall be in accord with the fundamental objects of the National Bureau of Casualty & Surety Underwriters as set forth in its constitution.

"A large measure of responsibility for saving the company from criticism in consequence of this important action rests with the Travelers field organization. The company is confident of your ability to uphold its position as a pro-

gressive and constructive force in casualty insurance."

### RESIGNATION A SURPRISE

NEW YORK, Oct. 31.—A surprise of large proportions, and by no means an agreeable one, was afforded casualty underwriters when news of the retirement of the Travelers from membership in the National Bureau of Casualty & Surety Underwriters became generally known here several days ago.

The primary cause of complaint was the unwillingness of the bureau to approve the Travelers' plan permitting the payment of quarterly premiums for automobile liability insurance, and its further proposition of individual credit rating for motorists, somewhat along the lines followed in England. Company men generally have contended that the granting of quarterly liability insurance would result in an adverse risk selection, in that parties using their cars during the congested season would be apt to cancel for the balance of the year. A further objection offered was the expense of collecting premiums quarterly. The Travelers, perhaps more than any other company in the country, is equipped to conduct such business by reason of its extended branch office system.

### May Follow Suit

Despite the reluctance shown by the majority of companies to accept the plan long advocated by Mr. Sullivan on behalf of the Travelers, managers generally concede that if the Hartford office carries through its present program all other companies will be forced to follow suit. As a matter of fact several non-affiliated offices have been upon the quarterly premium payment basis for some time.

Not alone is the Travelers one of the largest of the casualty underwriting corporations of the country, and hence its experience invaluable to every rate making body, but its data is prepared

in such a manner as to excite the commendation of every other office.

The company has long been one of the staunch supporters of the National Bureau and it was largely through the insistence of Louis F. Butler, president of the Travelers, that Jesse S. Phillips was induced to become general manager of the former organization a number of years ago. Every effort to retain the Travelers in the National Bureau will doubtless be put forth.

Should the Travelers persist in its decision to retire from the National Bureau, it will have to file separate automobile liability rates with the New York department, if it proposes any departure from the tariffs now in force, which have been filed on its behalf as well as that of all other bureau companies by that organization.

### CASUALTY SPEAKERS LISTED

#### Insurance Library Association of Boston Announces Lecture Course for Coming Season

BOSTON, Oct. 31.—The Insurance Library Association of Boston has announced evening lectures in casualty insurance for the year 1928-29.

Subjects and lecturers are as follows: Burglary insurance, to include development, definition of terms, underwriting and inspection, residence insurance, personal holdup, mercantile safe, paymaster and office and store robbery, bank burglary and open stock, burglary and robbery loss procedure, Stephen McLaughlin, manager burglary and plate glass department, Massachusetts Bonding; plate glass insurance, Nelson H. Newell, general agent Metropolitan Casualty; Casualty statistical methods and state returns, Charles L. Schlier, superintendent actuarial department, Employers Liability; home office administration (a) underwriting procedure, Frank W. Martin, superintendent workmen's compensation and liability department, Employers Liability; (b) general administration, legal, financial, executive, Edward C. Stone, United States manager, Employers Liability; Workmen's Compensation, to include conservation and accident prevention, safety organization, inspections, adjustment of losses and payroll auditing, Fred J. Murphy, secretary-treasurer Boston Association of Casualty General Agents; correspondence, H. N. Rasely, secretary Burdett Business College; sales, William L. Mooney, vice-president Aetna Life; state supervision, Harold J. Taylor, counsel Massachusetts insurance department.

#### FURNER CONSTITUTION'S PHILADELPHIA MANAGER

The Constitution Indemnity of Philadelphia announces the appointment of Ralph H. Furner as manager of its Philadelphia metropolitan branch office to succeed Milo H. Nealy, who has been appointed to a post of importance in the company's agency organization and who will continue as an active factor in the company's development.

Mr. Furner, a native of New York State, entered the insurance business with the Travelers and after completing his course in the home office training school was assigned to the Cleveland branch office as special agent, where he remained three years, when he was appointed manager at Columbus, O., serving later in the same capacity in New Orleans, Milwaukee and Rochester, N. Y., and in February of this year went to Camden as manager for southern New Jersey, from which position he goes to the Constitution Indemnity.

Robert T. Rouse, who has been superintendent of the bonding department, is appointed assistant manager. Stephen R. Prout remains as underwriter of casualty business.

**Goodwin to Push State Fund Plan**  
BOSTON, Oct. 31.—Frank A. Goodwin, deposed registrar of motor vehicles and

recently defeated candidate for the nomination for governor, announces that he will organize a "people's lobby" to prevail on the next legislature to create a state fund for carrying out the purposes of the compulsory automobile liability insurance law.

He will file a bill with the next legislature, he declared, embodying the state fund principle, which makes the state the custodian and administrator of the fund, which is known as a "contributory fund," and providing for a commission of five to settle claims. This commission, he said, would be under either the state insurance department or the department of public works.

### Reviews Compulsory Situation

SAN FRANCISCO, Oct. 31.—A complete study of the compulsory automobile liability law, together with its application in Massachusetts, has been made by Assemblyman Edgar C. Levey, chairman of the special committee appointed by the last legislature to investigate the situation in this state and bring in a report to the 1929 session as to the advisability of such a law in California. Mr. Levey, who has just returned from Massachusetts, is reported to have expressed himself as feeling that undoubtedly the time will come when a compulsory automobile liability law will be enacted in California, but that before such legislation is adopted a state-wide traffic survey should be made, and considerable attention given to the matter of rates on such coverage, pointing to the difficulties in which Massachusetts finds itself. He will present the results of his study to the next meeting of his committee which will be held in the near future, probably in San Diego. He is reported to have stated that it is doubtful whether any compulsory liability law will be enacted at the coming session of the legislature.

### Distribute Work Book

The Hartford Accident is distributing a loose leaf agents' soliciting work book which is very convenient and complete. Nineteen different forms of casualty and bond coverage are tab indexed. The tab index is placed on a yellow sheet which outlines the necessary selling information for agents and solicitors. Directly accompanying the yellow sheet is one or more white sheets designed for use directly with the customer and also for leaving with him. The plan of the work book is to place before the agent in the briefest compass possible the fundamental selling ideas and coverage for each form of contract, together with a statement of the purpose of the contract designed for selling the prospect himself.

### Universal Casualty Licensed in Arkansas

It is announced by Edward T. Harrison, president of the Universal Casualty of Dallas, that it has been licensed to write full coverage automobile and miscellaneous casualty lines in Arkansas. W. E. Thompson, special agent for the Universal Automobile, 639 Hall building, Little Rock, will represent the Universal Casualty in the same capacity. The Universal Casualty is a running mate of and under the same management as the Universal Automobile.

### O'Neil With Eureka Casualty

Albert F. O'Neil has been appointed agency superintendent for the southern California territory of the Eureka Casualty, according to announcement by Bert L. Dowell, vice-president and general manager. Mr. O'Neil was with the Travelers for several years, resigning as casualty field assistant of the Los Angeles branch to accept his present appointment.

### Authorized to Write Credit

The charter of the Guardian Casualty of Buffalo has been amended to include authorization to write credit insurance. It is not known whether the company plans entering the new field at this time or not.

### Joins Pacific Employers

William H. Woods, well known in insurance and safety circles, has joined the Pacific Employers in its engineering department. For the past three years Mr. Woods has been an inspector with California Inspection Rating Bureau. During the recent Industrial First Aid Contest in San Francisco, Mr. Woods acted as chief judge.

### INCOME PROTECTION NON CANCELLABLE

You, as an Underwriter have looked forward to the day when you could sell a strictly Non Cancellable Health and Accident policy, positive, clean cut and Businesslike in every detail.

We now offer you the opportunity with the advent of our new "Gold Seal" Non Cancellable contracts. And here are a few reasons why you can underwrite this class of coverage to the best possible advantage.

1. It is Non Cancellable, the payment of premiums being the only requisite to keep the policy in force.
2. Written on both male and female risks, unusual as to permitting women to be written on a Non Cancellable contract but true nevertheless.
3. We give male clients the option of continuing their policies up to age 70—female clients up to age 60.
4. Good first commissions and attractive renewals.

Openings for representatives available in sections of Michigan, Pennsylvania, Indiana, Illinois and Missouri.

For full details of our direct agency proposition write—Manager of Agencies

**INCOME GUARANTY COMPANY**  
INCOME BUILDING  
SOUTH BEND, INDIANA

### CLAIM MAN

With five and a half years experience in the Middle West, desires permanent connection with responsible company. Has acted as Manager of important branch office. Can furnish best of references. Connection desired in Middle West. Address G-98, care The National Underwriter.

**FIELD MAN**—Age 33, now employed—have had fourteen years experience in casualty and surety business—desires connection with good prospects either with General Agency or Company. References. Address G-99, care The National Underwriter.

## Income Insurance Specialists

OPPORTUNITIES FOR SALESMEN  
IN FORTY-SEVEN STATES

### North American Accident Insurance Co.

209 South La Salle Street, CHICAGO

**Re-Insurance  
Excess Re-Insurance  
Catastrophe Hazard**

**DEE A. STOKER**  
RE-INSURANCE UNDERWRITER  
111 W. Jackson Blvd. CHICAGO

All Lines but Stressing Excess Fire Reinsurance General Classifications



# Centralize

## FOR "FRIENDLY SERVICE"

*Writing  
Casualty & Surety  
Business  
In Forty-two  
States*

During Twenty-four months over 2000 Agents, in 42 States have "CENTRALIZED" their Casualty and Surety Business to the extent of over THREE and ONE HALF MILLIONS in premiums. They KNOW the men who are in back of this Middle-Western Company. They KNOW the kind of service to expect from them—practical, friendly service with simple, direct methods.



### CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY  
Fred W. Fleming  
President

MISSOURI  
Dennis Hudson  
V. P. & Manager of Agencies



## The Employees Were Paid On Time!

At 10:30 one Saturday morning, bandits held up the paymaster of a company insured by The Travelers, and escaped with the week's payroll.

At 12 o'clock that same day, the employees of that company were paid by the money supplied by The Travelers in settlement of the claim.

Only ninety minutes elapsed between the time of the robbery and the receipt of the Travelers payment in settlement of the claim!

In another payroll hold-up case, the Travelers adjuster returned the *same* money that was stolen, within a half hour of the

robbery. This was pure luck. The bandits, fearing capture by the police, slipped the stolen payroll into a parked car, where our adjuster, who followed the course they had taken in their flight, found it.

These two instances are, of course, exceptional. But in payroll and bank burglary cases, where cash alone is involved, The Travelers frequently pays the claim on the same day that the robbery occurs.

You can assure your clients that if they place their Burglary Insurance in The Travelers, and a robbery occurs, they will not have to wait for their money.

# THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD,

CONNECTICUT



# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, NOVEMBER 2, 1928

## GREETINGS *to* ILLINOIS AGENTS

The Chicago Fire & Marine Insurance Company takes pleasure in expressing its good will and best wishes to the agents of its Home State.

We are a home company and it is our desire to build our premium income in the State of Illinois to one million dollars by December 31st, 1929. We can, by your co-operation, reach that goal. The Agents who are members of the Illinois Association of Insurance Agents are the class of men whom we want to represent us in this State. We both have the same problems to work out. Let us work together and keep a larger proportion of the Fire Insurance Premiums of this state at home.

## THE CHICAGO FIRE & MARINE INSURANCE COMPANY

223 W. JACKSON BLVD.

CHICAGO

*CASH CAPITAL, \$1,000,000*

### OFFICERS

Harold M. O'Brien, President  
Robt. M. Nevins, Secretary

Thos. O. McClure, Treasurer

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Secretary, Armour & Co.  
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Pres. Belle City Incubator Co.  
Moline, Wis.

# If You Want to Increase Your Income—

extend your usefulness, and strengthen your position in your community, a contract with the Peoria Life Insurance Company will help you.

Agents writing fire and general insurance lines can add substantially to their earnings, if they take advantage of the service which the Peoria Life offers—cooperation of the practical kind that really helps.



**"Cooperation Headquarters"**

Home Office Building of the Peoria Life. Owned by the Company without lien or incumbrance of any kind. Built from its current receipts, without disturbing the farm mortgage investments which have earned the Peoria Life its reputation for

**"Policies Strong as Farm Mortgages Can Make Them!"**

Why not avail yourself of the opportunity to increase your income? Realize the full possibilities of your territory. Be prepared to render complete insurance service to your patrons without disturbing your present connections in other lines.

Liberal commissions—

A wide variety of up-to-date attractive policies that sell—

Complete Sub-Standard Department issues a policy on every application—

Constant assistance and complete instructions necessary to success—

Unquestioned Company strength and reputation—

Thorough, conscientious service to policyholders and beneficiaries—

If these things interest you, a Peoria Life contract will appeal to you.

## Peoria Life Insurance Company

Peoria, Illinois



**EXTRA****The National Underwriter****EXTRA**

Thirty-Second Year, No. 44A

CHICAGO, FRIDAY, NOVEMBER 2, 1928 Price—Time to Read—Worth Real Money

# PICTORIAL REACHES 150,000

## PICTURES PROVE MIGHTIER THAN PEN OR TALK IN SELLING

**Survey of Saturday Evening Post Advertisements Shows Astonishing Use of Pictures**

### 78% OF IMPRESSIONS COME THROUGH EYE

The picture idea is ascendant! And only because it has proved itself in the arena of competitive selling! Of 183 advertisers in a copy of the Saturday Evening Post, 170 of them used pictures. Only two page advertisers ran displays without illustrations. Less than 3 percent of the companies who had faith enough in the advertising of their product, to use page advertisements in this issue of the Saturday Evening Post, felt they could afford to dispense with PICTURES. There is a reason for this overwhelming ballot in the favor of the use of pictures and it is for this same reason that thousands of insurance men today are using pictures to aid them in selling fire and casualty insurance.

#### Are You Neglecting the 78%

Seventy-eight percent of our impressions come through our eyes. Advertising men who had to sell through the printed page soon recognized that if they were to sell the product they must print pictures of it. Later it was discovered that "uses" of the product as well as the product itself could be effectively pictured and then, quite recently, pictures were found to be effective in selling intangible services. And not the least of these is insurance.

#### What You Can Accomplish

Today everywhere we see unmistakable evidences of the popularity of pictures. The almost unbelievable success of rotogravure pictures and rotogravure advertising is of such recent origin that most of us can remember when the whole process was still in the experimental stage. The success of the rotogravure is due first to everyone's more or less instinctive interest in pictures and secondly, to the remarkable reproductions that the rotogravure process makes possible. The rotogravure makes a pretty picture beautiful, and a beautiful picture more beautiful. It produces striking effects not obtainable by any other process. It puts into pictures something that was not in them before.

#### Why the Insurance Pictorial Can Be Had for as Low as \$8 a Month

It is the most expensive small run process but as the quantities printed increase its relative cost in relation to other printing methods decreases until the point is reached where these finest of pictures may be actually produced at a less cost than that of the ordinary reproduction! Here is the secret of our ability to sell the Insurance Pictorial for as low as \$8 a month. The Insurance Pictorial, you know is the National Underwriters-Rough Notes' adaptation of the successful rotogravure picture method of selling to the fire & casualty insurance field. The Insurance Pictorial is a monthly magazine for fire & casualty insurance men to send to their policyholders and prospects each month. Each issue is crammed full of pictures on some particular phase of fire & casualty insurance. Thus, each month unobtrusively and tactfully insurance is brought to the attention of every one of an agent's prospects and clients. It helps keep old policyholders solid and makes prospects live prospects. It is the agent's own magazine. His name, and his only, appears on the Insurance Pictorial. It cannot be identified with any one but his own agency. He is the publisher of the Insurance Pictorial to all intents and purposes.

**Use the Coupon**

## EXPLAINS VALUE OF PICTORIAL TO AGENTS

**Editor of Pictorial Sums Up Its Advantages**

A. D. Lange, editor of the Insurance Pictorial, is an advertising man of wide experience. It was he who conceived the idea of using rotogravure pictures to help agents sell fire and casualty insurance. Although just a little over four years old the Insurance Pictorial is today the most widely distributed selling aid in the insurance business. Naturally, there are good reasons why the Insurance Pictorial stands head and shoulders above all other insurance selling material. If you could know Mr. Lange personally you would have a good part of the secret. His ability which amounts almost to genius in handling photographs has made the Pictorial the most dynamic thing in insurance.

## BRINGS HOME "BACON"

### YOUR NAME Here Each Month Will Bring Home the Bacon!



selling. Mr. Lange combines his ability in this direction with a well-rounded insurance experience which he secured when advertising manager of the Firman's Fund of San Francisco.

Mr. Lange thus sums up the Pictorial's advantages:

**Keeps Customers Solid**

First, it sells insurance through striking illustrations carefully selected to show the value and need of particular forms of insurance coverage.

Second, it keeps an agency in contact with its clients. It holds old business and keeps the customer "solid" on the agency, resulting in a larger share of all new business.

Third—it builds confidence in the character and stability of the agency whose name it carries in each city, through the dignified tone of its editorial matter, the high quality of its illustrations, and the general harmony of its whole appearance.

**Reduces Sales Resistance**

Fourth—it reduces sales resistance for the personal solicitor. When THE PICTORIAL is sent to prospects, a salesman has the way paved for an interview. He sells more and faster. He gets down to business with fewer preliminaries. THE PICTORIAL has already sold the value of certain forms of protection; it remains only for the salesman to sell the proper policy.

**Use the Coupon**

## GET THE PICTORIAL AND HANG ON TO IT

**Los Angeles Agency Uses 11,500 Copies a Month**

Gerald A. Rule of Rule & Sons, Los Angeles, California, "the largest general insurance office west of Chicago," says, "Get the Pictorial and Hang on to It!" And he ought to know whereof he speaks for his agency distributes more Insurance Pictorials than any other agency in America. Eleven thousand Pictorials are sent out every month—132,000 a year by this one agency. And evidently it pays for they have been using the Pictorial now for three consecutive years.

#### Reasons for Success

What is it that makes the Pictorial such a winner? "Briefly, here are a few of the reasons—

IT IS DISTINCTIVE—interesting, educational and new.

## INSTANT SUCCESS DUE TO PICTURE IDEA AND LOW COST

Over 400 insurance agencies are now using the Insurance Pictorial to aid them in selling fire and casualty insurance. Through them over 150,000 copies of the Pictorial are being distributed monthly.

The Insurance Pictorial is a monthly rotogravure picture magazine. It capitalizes the popular interest in pictures by picturizing in rotogravure the benefits of fire and casualty insurance.

#### Even Used in Honolulu

This successful selling aid which is being used by agents from Maine to California, from Alaska to Central America—and a man in Honolulu uses it, too, is now being offered to agents for as low as **\$8.00 a month**. A proven selling aid at a ridiculously low price—here is the secret of the Pictorial's 150,000 circulation.

In appearance the Insurance Pictorial is a little brother to the Sunday rotogravure sections of metropolitan newspapers. And it is just as interesting. That is why agents are so enthusiastic about it. No reader will throw a Pictorial in the waste basket with—"Oh, its just an ad."

#### Nothing Like It

The National Underwriter Company has never had a service to offer agents comparable with the Insurance Pictorial. It is the most successful selling aid for insurance men that has

ever been devised—and the most unique. Every live insurance man that has had the opportunity of examining this proven business builder has been enthusiastic and sold on it. That is why the National Underwriter is anxious to place a sample copy in your hands—An inspection of the whole proposition will reveal to you the boundless possibilities of this direct mail medium. A coupon is provided below—We advise you to use it. NOW—There's a reason.



The National Underwriter,  
A1946 Insurance Exchange,  
Chicago, Illinois.

I am interested in using pictures as an aid in selling Insurance. Send me a sample of THE INSURANCE PICTORIAL and full details on this picture magazine.

### Use the Coupon

Name .....

Street .....

City ..... State .....

N. U. 11-2-28.

**Use the Coupon**

# "Association News"

Climbs to  
32 Pages  
This Issue!

Fastest Growing Insurance Journal in the United States. Only Insurance Journal Edited and Published by a Local Agent. Now 11 Months Old.

A monthly magazine dressed in new attire, giving all the latest happenings in the insurance world; read by agents and company officials alike; containing many personal items about insurance men, besides recording the major news of interest which happens during the month.

50c Per Year  
\$1.00 for Two Years

Check, Bill or Stamps

Send in Your Subscription Today!

## SHIRLEY E. MOISANT

Editor and Publisher

P. O. Drawer 147, KANKAKEE, ILLINOIS

### Notice to Illinois Agents

Something different in casualty insurance methods

TO ASSIST YOU IN INCREASING YOUR CASUALTY INSURANCE WRITING—LET US PLACE OUR FACILITIES AND OUR EXPERIENCE AT YOUR DISPOSAL.

### MEEKER-MAGNER COMPANY

Insurance Exchange - Chicago

For almost a quarter century, General Agents for

### GENERAL ACCIDENT, FIRE & LIFE ASSURANCE CORPORATION

Established 1885

Surplus \$3,267,673

Accident, Health, Compensation,  
Public Liability, Property Damage,  
Automobile, Plate Glass, Burglary,  
Theft, Robbery, Steam Boiler.

MEMBER OF ILLINOIS  
ASSOCIATION OF  
INSURANCE AGENTS

A STOCK COMPANY

## UNITED STATES UNDERWRITERS COMPANY

Home Office:  
JACKSONVILLE  
ILLINOIS

AN ILLINOIS COMPANY  
FOR ILLINOIS AGENTS

Full Coverage  
Automobile Insurance

R. Y. ROWE, President

W. D. KENNEDY, Secretary

J. V. KENNEDY  
Vice-President, General Manager



# The National Underwriter

THIRTY-SECOND YEAR No. 44-A  
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ILLINOIS LOCAL  
AGENTS NUMBER

## Troxell Heads Illinois Association

Successful and Well-Attended Meeting of Agents of  
State Held in Springfield—Good Program Presented

### New Chief Takes Hold

Convention Headquarters  
Springfield, Ill., Nov. 1

**R**OBERT W. TROXELL, head of the Troxell-Kikendall Company of Springfield, was elected president of the Illinois Association of Insurance Agents at its meeting this week. Mr. Troxell has served as first vice-president. James M. Newburger closed his two years as head of the organization at this meeting. He has made one of the most constructive and useful presidents that the Illinois association has ever had as its executive head. Much pressure was brought to bear on Mr. Newburger to have him serve another term, but he felt it would be a dangerous precedent.

However, the Illinois Association of Insurance Agents has been incorporated under the Illinois laws and Mr. Newburger becomes the first chairman of the board of directors. His interest and influence in the organization will still be carried on in a very important way.

Mr. Troxell has the confidence of the Illinois agents. He has been in the business for 28 years. His father, W. S. Troxell, established an agency in Springfield in 1887, and when R. W. started in business, the father took him into partnership, forming the firm of W. S. Troxell & Son. In 1906, R. W. Troxell purchased his father's interest and formed the firm of the Troxell-Kikendall Company. While he was in local agency work, still retaining his interest in the firm, he became Illinois special agent of the Aachen & Munich, serving

### NEW OFFICERS ELECTED

#### PRESIDENT

Robert W. Troxell, Springfield

#### FIRST VICE-PRESIDENT

W. A. Schneider, Kankakee

#### SECOND VICE-PRESIDENT

A. J. Teninga, Roseland, Chicago

#### THIRD VICE-PRESIDENT

F. G. Budelier, Rock Island

#### SECRETARY

Shirley E. Moisant, Kankakee

Chairman Board of Directors—J. M. Newburger, Chicago.

Chairman Organization Committee—H. J. Leach, Morris.

Chairman Grievance Committee—J. A. Giberson, Alton.

Chairman Legislative Committee—G. N. Wright, Aurora.

Chairman Automobile Committee—Rockwood Hosmer, Chicago.

Chairman Fire Prevention Committee—Allen Murphy, Eldorado.

Chairman Public Relations Committee—August Torpe, Chicago.

from 1903 to 1909. He was president of the Illinois Insurance Federation in 1918.

W. A. Schneider of Kankakee, who has been second vice-president, is advanced to the first vice-presidency and

is regarded as the natural successor to Mr. Troxell after the latter has served out his term. Al Teninga of Roseland, the only one of the Chicago suburban agents that is active in the organization,

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### Story of the Convention

Convention Headquarters  
Springfield, Ill., Nov. 1

**J.** EMIL SMITH, the mayor of Springfield, Ill., gave the welcome to the annual meeting of the Illinois Association of Insurance Agents in his city, being introduced by R. W. Troxell, well known local agent of Springfield and first vice-president of the Illinois association until his elevation to the presidency at this meeting. Mayor Smith has been responsible for much good work in Springfield, especially in strengthening the fire department and bringing about conditions that reduced the loss ratio. He said that were it not for insurance as the basis of credit of protection cities could not grow. Springfield, he said, is accomplishing much through its fire prevention bureau in the fire department. Civic spirit, he declared, should manifest itself in the desire to conserve property that is worth while. Al J. Teninga of Roseland, Chicago, third vice-president of the association, responded.

Newburger Sang His  
Presidential Swan Song

President James M. Newburger, Chicago, sang his swan song at this meeting. He has made a most excellent presiding officer. During the progress of the session he gave thanks to everybody. Popular personally he has been able to harmonize all interests and keep everybody working. Secretary Shirley E.



R. W. TROXELL, Springfield  
New President Illinois Association



J. M. NEWBURGER, Chicago  
Retiring President Illinois Association



SHIRLEY E. MOISANT, Kankakee  
Secretary Illinois Association



R. P. DEVAN, Charleston, W. Va.  
President National Association

Moisant reported \$8,560 collected during the year. There is now a balance of \$112,56 in the bank. The Illinois association has 482 members, an increase of 41.

Unfortunately the committee chairmen were pretty much decimated. Ross C. Sherman of Waukegan, chairman of the legislative committee, is quite ill at his home in Waukegan, Ill. In spite of this he sent a telegram of greetings to the organization. E. F. Prideaux of Elgin, chairman of the farm committee, is at the Presbyterian hospital in Chicago, having undergone an operation. J. C. Robertson of Harrisburg, chairman of the executive committee, could not be present. George North Taylor of Streator, chairman of the grievance committee, who has always answered the roll call heretofore was not present. This left Harry J. Leach of Morris, chairman of the organization committee, and Allen Murphy of Eldorado, chairman of the fire prevention committee, as the only two out of the list who were on hand ready to report. The association sent good will messages to Mr. Sherman and Mr. Prideaux.

President R. P. DeVan of Charleston, head of the National Association of Insurance Agents, gave a talk at the morning session, stating that it was the policy of the national body to show its alle-

## SOME SIDE LINE GLIMPSES AT THE ILLINOIS CONVENTION ACTIVITIES

J. Lester Parsons of New York, head of the Crum & Forster group of companies; Western Manager Fred M. Gund and Rollin I. Read of Chicago, Cook county manager, had been at West Baden on a little vacation. They drove over to Springfield, arriving Thursday evening, and hobnobbed with the fraternity.

It was interesting to see that five out of the six set speakers on the program were from Chicago. Chicago may not cut a big figure in the active work of the organization numerically but when it comes to furnishing material for the program it always shows up well.

There was a golf tournament held on Friday at the Illini Country Club. The Fidelity & Deposit trophy was contributed by W. H. Hansmann, Illinois manager, who was present at the meeting.

W. A. Hodnett of Lincoln had his advertising display outside the meeting room. It received second prize in the National Association of Insurance Agents' agency advertising contest.

The Springfield agents were hosts to many visitors in their headquarters in the hotel. Hospitality was dispensed and everybody was made to feel at home.

Col. R. Hill Carruth of Memphis, southwestern manager of the Fidelity & Deposit, who attended the annual meeting at Joliet a year ago and spoke, sent a telegram of greeting.

George B. Muldaur of the Underwriters Laboratories was present at the convention.

In his address President Newburger said that Shirley E. Moisant, the secretary, who has been establishing the "Association News," was aiming to keep the home fires burning. Allen Murphy, chairman of the fire prevention committee, in his report said that if that were the function of the "Association News," the fire prevention committee would have a very difficult time in reducing the loss ratio.

Thomas E. Gallagher of Chicago, former western manager of the Aetna, was extended a warm welcome at Springfield. Mr. Gallagher spoke briefly at the

banquet, telling a couple of his famous "Casey" stories.

Ernest Palmer of the Chicago Board and Raymond Lennon of Joliet escorted the new president, R. W. Troxell, to the platform following his election.

Earl E. Fisk of Green Bay, Wis., chairman of the public relations and educational committee of the National association, sent a telegram of greeting.

President Newburger asked the members to express themselves as to whether they desired a semi-annual meeting or regional meetings. The regional meeting system was followed last year. The vote was in favor of continuing the regional meetings.

Managerial talent was well represented at the meeting, there being present President Harold M. O'Brien, Chicago Fire & Marine; Secretary E. A. Henne, America Fire; Manager H. G. Casper, Fred S. James & Co.; Superintendent of Agents W. A. Sawyer, Fireman's Fund; Superintendent of Agents C. A. Ohlsen, Sun; Manager John F. Stafford, Sun; Assistant Manager Harry A. Yates, Aetna; Assistant Manager Melvin LePitre, Fire Association.

H. M. Greenberg, a former Illinois field man and now general adjuster for the Western Adjustment in Chicago, was present.

H. B. Doten of Chicago, western manager of the New York Casualty, who formerly traveled in the Illinois field, attended the meeting.

R. J. Folonle, well known insurance attorney in Chicago, shook hands among the Illinois people in the lobby of the hotel. He was at Springfield, however, on litigation outside of insurance.

Albert Kahn, president of the New Century Casualty of Chicago, is one of the regular attendants of the Illinois meeting.

President H. M. O'Brien of the Chicago Fire & Marine left his office at 6 o'clock Wednesday evening and arrived in Springfield at 10:30 o'clock that night. On the highway he was suspected of exceeding the speed limit. A highway policeman followed him for 32 miles but did not succeed in catching him.

those risks, reduce the loss ratio and not take anything for his compensation except the by-products that he would get out of this service.

### Dwight Ingram Gave Salesmanship Talk

Dwight Ingram of Griffin, Ingram & Pfaff gave one of the most delightful addresses of the occasion. He spoke on "Selling Our Stuff." Mr. Ingram is the author of the fire insurance salesmanship course put out by THE NATIONAL UNDERWRITER. He is a Harvard graduate, a son of the late John C. Ingram, who for many years was Indiana state agent of the Great American, then assistant manager and finally one of the western managers. His brother, Carl E. Ingram, is assistant western manager of the Westchester. Mr. Ingram applied salesmanship to insurance, drawing on successful methods used in merchandising products and showing how the natural laws relating to selling can be used in insurance.

### Fire Prevention Captain Gave Some Suggestions

Henry G. Richter of Springfield, captain of the fire prevention bureau in that city, who has been 18 years in fire fighting service, closed the meeting. He urged the installation of sprinkler sys-



JOHN F. STAFFORD  
Western Manager Sun



HARRY J. LEACH, Morris  
Chairman Organization Committee

giance to true companies that stand by its principles. He said that any company can conform readily with the principles of the National association. He asserted the Milwaukee declaration was not retroactive. Therefore, any company knew exactly what it was doing if its practices thereafter were in defiance of National association principles. Mr. DeVan said that if there had been unanimous and enthusiastic support when the National association took its first action against the Firemen's, no other company would have dared violated the basic principles of the organization. He said that in taking action against the National Union Fire he hoped that ended company fights.

### Edson and Lawson on the Morning Program

There were two speakers at the morning session. L. D. Edson, accident superintendent of the Zurich General Accident at its United States headquarters in Chicago, told of some personal coverages that agents could write that would add to their income. These are cases where there is a definite need for special coverage. He said that agents should take advantage of these demands. Mr. Edson was introduced by J. A. Feffer of the Continental Auto of Springfield, an old time friend. The two worked together in the same organization in times past.

Edward D. Lawson of Chicago, vice-president and western manager of W.

H. McGee & Co., the well known New York firm, spoke on aviation insurance, giving the coverages now being written and explaining each. He said that the term "inland marine" was a misnomer as it is not descriptive of what companies are writing in their inland marine department. He showed the demand for aviation insurance, stating that the public is becoming air-minded and urged agents to prepare themselves to handle this class of business.

### Ocean Marine Is Oldest and Most Modern Form

Mr. Lawson said that ocean marine is the oldest form of insurance and yet it is the most up-to-date form. The ocean marine underwriters meet the demands of business and commerce at all times. He said that commercial aviation has gone forward rapidly and is demanding proper protection. He said those that are investing their money in aircraft are seeking protection for that money. Mr. Lawson said that it is not necessary for a local agent to become vernacular of aircraft people or to frequent airports in order to get business.

At the afternoon session John G. Yost of Baltimore, assistant secretary of the Fidelity & Deposit, carried on an open forum, answering questions relating to surety. This was a very instructive part of the program. Mr. Yost is well informed on surety and brought out a number of practical points.

President Harold M. O'Brien of the

Chicago Fire & Marine presented one of the most thoughtful papers of the meeting. He is not only president of his company but is head of the O'Brien Insurance Agency of Chicago. Mr. O'Brien called attention to the growing amalgamation of business, the development of chain stores and then suggested that there be an association formed by companies in which agents will participate similar to factory, grain and railroad associations, and so on, manned by experts so that this chain store and widely scattered business can be written through the regular channels and the local agents have at least some of their commissions saved. Mr. O'Brien offered an entirely new viewpoint when he predicted that many more millionaire companies will be formed during the next five years. He said that there are not too many companies today.

### Fiery Spoke on Service for Compensation Risks

E. Irving Fiery of Bowes & Co. of Chicago, who was formerly assistant manager of the Travelers in that city, spoke on "Selling and Servicing Workmen's Compensation Insurance." Mr. Fiery is an expert on compensation lines. His remarks dealt largely with conducting workmen's compensation business in an agency, reducing claim ratios and accident frequency. Mr. Fiery at the close of his address said that if there were any big risks that were unprofitable he would undertake to service

tems more and more as fire preventive measures. He said that property owners, of course, found it is expensive to install the system but they were a real factor in the preventing of fires. He said that sprinkler protection is needed especially in basements, the most difficult place of all to fight fires. He said that a majority of the total losses in Springfield were basement fires. He urged cities to pass ordinances razing old dilapidated buildings. He called attention to the fact that many people having automobiles that may be worth from \$2,000 up use old barns and outbuildings for garages, although these buildings are worthless. This adds greatly to the fire hazard. Mr. Richter said it would be a good thing to rate automobiles according to the garage in which they were kept.

### Heckrote Met With Accident

W. E. Heckrote of Indianapolis, one of the Rough Notes men, was on the program for the afternoon session to speak on "Better Bookkeeping Methods." Mr. Heckrote arrived during the middle of the afternoon much the worse for wear. He drove over from Indianapolis after the closing hour Wednesday evening and when he was about two miles from Champaign crashed into a culvert, sustaining a number of injuries. He was insensible for a long time but was taken to Champaign about 5 o'clock Thursday morning. He was bruised and battered.



# What Selling Insurance Really Means

By DWIGHT INGRAM

Griffin, Ingram & Pfaff, Chicago

THE job of selling insurance is made up of three parts: Technical knowledge of our subject, finding and developing prospects, and convincing the prospect of the soundness of our ideas through one or more sales interviews. Inability to recognize that each one of these parts is essential leads to some muddled thinking about the relative importance of being a professional expert, a good "mixer," or a "high pressure" talker.

The importance of technical knowledge is pretty well appreciated nowadays. We know that the man who is a good "hand-shaker" and nothing more is handicapped. So on this point I need only to emphasize that education is a process of growth. The man who stops studying is no longer educated, because overnight he is behind the times on some new development in the business.

## Prospecting and Sales Interview

When we come to the twin subjects of prospecting and the sales interview,



DWIGHT INGRAM, Chicago  
Griffin-Ingram & Pfaff

the quality of our salesmanship would improve vastly if we recognized these as separate things. A certain broker I know, whose income marks him as highly successful, is spoken of by his friends as a "low pressure" salesman. He seems to know almost everybody worth knowing. His method of work is to cultivate his prospects socially and after a year or two of this the prospect may turn over his account just for the asking. This method is good prospecting, but it is very poor selling. This same broker recently went into partnership with a true salesman, and now he is getting business in two weeks that formerly took months to develop.

## Prospecting Is Vital Factor in Salesmanship

Prospecting is the vital factor in salesmanship. The best technical expert and the most silver-tongued talker can not make a sale unless they can get somebody to listen to them. Prospecting should not be left to luck. One of our greatest limitations is getting so tied up with renewals and service calls that we do not put our creative thought on new business. If you let a day go by without getting one new prospect or one new sales idea you are bringing your income to a standstill.

What is prospecting? It is not just getting names or social acquaintances. Names are the first step, but of themselves they are not prospects. The telephone directory is full of names, but it

is not a prospect list. A man is not a prospect until you know: His need for certain insurance; his insurability; his ability to pay an adequate premium. You are wasting much of your time and energy if you solicit a line before you have positive knowledge on these three points. You should be willing to spend most of your effort scenting out the loopholes in a man's coverage before your first direct interview. For knowing what a prospect needs—either in the way of rate, form or additional protection—will bring more sales than belonging to the same lodge.

## Highly Necessary to Organize Selling Time

Many of us cut down our incomes through not organizing our selling time. Yesterday a young broker in our office spent the hour between 11 and 12 buying a bond at the bank. When he came back to the office I asked him why he hadn't called on a prospect between 11 and 12 and done the bond buying between 12 and 1, while his prospects were at lunch. He hadn't thought of that. One day last week I checked up on another of our brokers. He had worked hard from morning until night—had covered 102 miles in his car. I took a map and showed him that by rerouting his day he could have made the same calls with only 50 miles of travel and thus saved two valuable hours.

Organizing our work is simple; yet we all get careless about it. All you have to do is plan tomorrow's route the night before (keeping in mind the mileage and the desirability of striking each customer during his free hour), and keep all office work and personal affairs out of the good soliciting hours.

The agent who bases his sales on good fellowship instead of intelligent prospecting falls into one definite bad habit. He goes into his prospect's office more

or less with the attitude, "If there's anything you'd like to buy give me a 'shot' at it." True enough, we are department stores of insurance. But you know that even department stores have their "leaders." They advertise one item of good value and believe that if they can thus get you inside their door you will yourself see the merits of their general stock. In the same way, when you have discovered what improvement or addition you can make in a prospect's coverage, stick to that point until you have won him over.

## "Entering Wedge" System Is Usually Effective

When he is convinced that you were right on one point, he will have more confidence in entrusting his other business to you. This system of using an "entering wedge" is effective. And that is why windstorm, rents, personal accident, business life and certain other specialized forms are so valuable to the salesman. They are not carried in adequate amounts and the need for them is so genuine that they are ideal "entering wedges" for winning the prospect's confidence.

## Linked With Fire and Accident Prevention

I can never separate insurance from fire and accident prevention in thinking about my job. Last August I had to fight for the renewal of my largest workmen's compensation line. My rate—the bureau rate—was 2.08. The Liberty Mutual offered a price of 1.40, and the insured was not afraid of mutual insurance. So I said: "Mr. Blank, I mean this quite modestly, but there is one thing bigger than insurance in this deal. When I took over this account four years ago I set up a safety organization in your plant. In four years your accidents have been cut from 140 to 30

per year. You don't dare to give up my safety device." And Mr. Blank agreed that he didn't. I study fire and accident prevention all the time and get my customers to look up to me as a safety adviser. It holds renewals and it appeals to my higher qualities as a valuable contribution to public service.

## Life Salesmen Know How to Paint Pictures

A sale is made to the emotions. We have to appease the intellect of our prospects with figures, but figures do not make sales. As a man who by heredity and training belongs to the fire insurance fraternity, I have sometimes turned up my nose at the flowery language of life insurance. But that language is something more than "apple-sauce." The life salesmen know how to paint pictures in the prospect's mind, how to make the prospect visualize the financial consequences of death, old age or disability so that the prospect has a desire for protection and a truer knowledge of the essential value of insurance



ALLEN MURPHY, Eldorado  
Chairman Fire Prevention Committee

# President Reviews Association's Development During Past Year

By JAMES M. NEWBURGER

OUR association has made progress during the past year, and plans have been made for future development which, if faithfully performed and adhered to by our membership, will be of much benefit, both individually and collectively. Every committee has functioned well, in earnestness and in harmony. Some of the outstanding accomplishments are as follows:

A substantial gain in membership. Our finances are in satisfactory condition. By that, of course, is meant that we are meeting all current obligations. Some day in the near future I hope the membership will be willing to defray the expense of an association field man. We need one, and the benefits would more than offset the small additional amount required of us.

## Unusual Number of Regional Meetings

There were more than the usual number of regional meetings held this year in various parts of the state. They differed somewhat as to attendance, but none as to the quality of serious contemplation of problems indulged in by our members. We were fortunate in having good speakers at each meeting, and those who attended were well repaid by adding to their knowledge.

We now have a department of public

relations and education, and our association is affiliated with the schools of commerce of the various colleges in Illinois which have a course of study on insurance. Speakers will be furnished these colleges whenever we are called upon. This department, I believe, will be a very important one and will enable us to render a real substantial service for our own good, creating better public relations by a better understanding of insurance and further by encouraging and introducing into our profession understanding young men.

## "Association News" Well Established

The "Association News," the family paper of the Illinois Association of Insurance Agents, is already a full fledged, successful journal. Your president and secretary attended the mid-winter meeting at Memphis, Tenn., and the annual meeting at West Baden, Ind., of the National Association of Insurance Agents.

Your executive committee has decided that it was preferable for our association to be incorporated. The necessary incorporation papers have been drawn. A few minor changes will be necessary in our by-laws so as to comply with the state laws of incorporation.

My parting message to you is be loyal  
(CONTINUED ON PAGE 11)

than if the salesman had talked about low net cost and the technical details of the policy contract.

During the early part of the World War I spent a year and a half with the British army in India and Mesopotamia. One of my privileges then was to see what our foreign missionaries are like out in the field. Taking their work in ordinary language, if anybody ever had a "tough job," it's the missionaries. Bad climate, small pay, no luxuries, thousands of miles from home. And as for "sales resistance," if a Hindu turns Christian he loses his job and is cast out by his family. That is what the missionary faces when he tries to "sell" Christianity to an Indian. Yet for all the "turndowns" they get, the missionaries get some converts and they are universally respected in their communities.

Now our work is, in a sense, missionary work. Saving businesses and families from the financial losses of death or accident is a vital service to the world. Yet there is a wide gulf between the moral "drive" of the missionary and the easy-going mental attitude of some of us. The missionary has bet his life that he is right and that the world needs the moral code and faith which he has to offer. The world also needs our service, and I look for a higher standard in our business if our salesmen will catch the missionary spirit and, regardless of discouragements, will adopt that undefeated attitude toward teaching the world safety and protection.

# History of Milwaukee Declaration

By R. P. DEVAN

President National Association of Insurance Agents

I BELIEVE it most important to review at this time the action taken at the West Baden meeting of the National association referring to the Milwaukee declaration and the pronouncement against the National Union Fire of Pittsburgh. The reaffirmation of the Milwaukee declaration by a unanimous vote of the executive session of the association has convinced me that the agents are now determined to enforce the principles of the association against those companies who have deliberately and continuously violated them. An analysis of the Milwaukee declaration shows that it states two positive and definite things.

First: "Our members owe their allegiance to those companies whose loyalty to our principles is unquestioned."

Second: "It is inconsistent and undesirable for our members to represent any company, the practices of which are intentionally and continuously in violation of our principles."

## Owe Allegiance to Cooperating Companies

Certainly no one can disagree with the statement that we owe our allegiance to the companies who have continuously practiced the principles we set forth and loaned their full cooperation and acknowledgment of these principles.

Again it cannot be denied that it would be most inconsistent for us to set forth a set of principles, receive the support of a majority of the companies on these principles and then to continue to represent companies who do not and will not acknowledge these principles as the proper conduct of the business.

At the Milwaukee meeting of the association this resolution was adopted

providing a platform for the future and in no way applied to the practices of any company in the past. It was a statement upon which the association hoped to bring all companies to a mutual understanding and every company was given the opportunity to conform to these principles and acknowledge their justice.

## Principles Referred to In Milwaukee Declaration

Following the Milwaukee declaration it then became necessary to definitely state what these principles were to which reference was made in the declaration. This was done by your executive committee publicly stating to the world our certain announced principles and what were these principles. Ownership of expirations, overhead writing, the writing of lines according to the rules of local boards, discontinuance of the appointment of financial institutions and limited agency representation of the same company in the same territory. These were the five principles upon which the association felt no company could make objection and upon which we felt depended the existence and continuance of the American agency system.

## Effort Made to Bring Companies Into Line

Following its enactment, there were found to be certain companies in violation of these principles by action subsequent to the Milwaukee declaration. Every effort was used to have these companies conform their practices according to these announced principles,

but it was found impossible to do so. Then at Savannah, Ga., it was decided by the executive committee and confirmed by the mid-year meeting in that city that definite action should be taken by the various state units to amend their constitution and by-laws to conform with the qualification of membership in respect to representation of these companies or any others that should violate our principles. A uniform resolution was drawn up by the executive committee setting forth the suggested amendment for the states to adopt. It was adopted by a majority of the states and puts upon them the obligation of enforcing the qualification of their membership according to this standard. Some states made it effective almost immediately while others through a process of patience and education are gradually reducing their membership to this standard.

## No Statement that Agent Should Resign

Through misunderstanding the Milwaukee declaration has often been misquoted and has even been referred to as the Milwaukee agreement. At no time has the National association ever stated, nor did the Milwaukee declaration say, that any agent should resign any company he represents. Nor has it ever been understood to mean that any company has agreed not to appoint bank agents or violate the principles we have set forth. It has often been stated that immediately a company violates a principle and is declared in violation the state associations are expected to de-

mand the resignation of every member who represents that company unless he resigns the company at once. Your national executive committee does not now nor never has contemplated that any state officer should ask any member to resign his membership because he does or does not represent any insurance company.

## Courts Uphold Right to Set Qualifications

There can be no question, however, that if any association of men, in fraternities, in lodges, in trade organizations or in social organizations, gather together as an organization for legal purposes it has a right to say who shall and who shall not belong to that association. The courts have upheld this right throughout the country wherever it has been tested. Therefore any state association has the right to set forth its standards of membership and a right to reject the application of any person or party who does not measure up to the prescribed standards. The National association has for some time recommended a standard form of application for membership, upon which the applicant states he does not represent a company whose practices violate our principles. Should an applicant sign this statement he qualifies himself as a member and the same application could be used for membership renewals at the beginning of each fiscal year. Therefore every state association has an unquestioned right to say that men possessing certain qualifications shall belong and those who fail to get the test of qualification cannot get in their organization. This, I think, is the proper and legal way to handle the qualification of membership.

## North American Accident Insurance Co.

209 South La Salle Street, Chicago

America's Oldest and Largest Company writing Accident and Health Insurance exclusively

GEO. MANZELMANN, Agency Director

N. L. PIOTROWSKI, Pres.  
HAROLD W. LETTON  
Vice Pres. and Mgr.  
JULIUS F. SMETANKA, Secy.



175 W. JACKSON BLVD.

TELEPHONE Harrison 6388



# Agents' Problem of Public Relations

By J. W. LONGNECKER  
Advertising Manager Hartford Fire

**I**NSURANCE has no monopoly in this matter of a public relations problem. It is one of the common ills of modern industry. Big business is especially susceptible to it. A business of the people and for the people draws away from the people and

hearer of them that they do to the speaker thereof.

This problem of public relations did not come about all at once, as a bubble bursts. It came with the passing of the old town meeting, where one could express his views, try to convert the public to his way of thinking, or, in turn, be guided by the opinions of others.

## Salesmen Influence the Action of Others

All our lives we are interpreters. We are salesmen out to influence the actions of others. As business men you start out in the morning to try to influence the thoughts and the actions of thousands of potential buyers of insurance, and you succeed as you get these people to see things your way. There is no trickery in this. It does not mean that every time a man influences another he does it to the other's hurt or at the expense or cost of the man influenced. If you show a man how to save money, or use a new food, or make a profitable investment, the idea is the same. You must influence that man to do a thing that you want him to do.

Getting ourselves believed in and accepted is the very heart of this thing called public relations; although the text book definition is "the process of finding out, and of making known, the factors in an enterprise which are of interest to people."

What we notice or pay attention to, controls our beliefs and our actions. By that same great natural law, what we get others to notice and pay attention

to controls their beliefs and their actions. The life of the local agent is a continual battle for notice and attention.

We who are in the fire insurance business are making one mistake in our public relations work. We are prone to apologize for what we sometimes call the technicalities of our business. We admit, and by admitting give color to common report, that nobody reads and understands a policy of insurance. What happens when you do that?

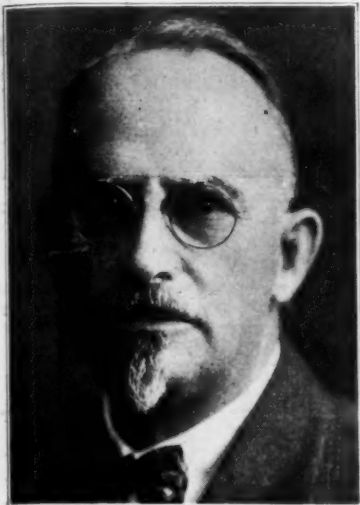
The man on the street, with some little excuse because we set the example, takes up our admission of technicality and complication and, in his careless way tells a neighbor that the fire insurance policy is deliberately printed so nobody can read it and understand it. When he makes that statement he is not set right, and the next neighbor is told that the companies deliberately print the policy so nobody can read it so that the companies can crook honest men out of just recoveries.

## Contract Will Stand Any Test of Grammar

Why not resolve here and now never again to listen to the allegation that nobody reads or understands a policy without putting up a fight for it as one of the fairest contracts ever drawn by man. Build for yourself a little talk to prove that it is a document intended to afford property holders full, fair and prompt indemnity for loss, up to limits set by the price paid for it, built up by years of experience to meet conditions of a life that is growing more compli-

cated in its relations and business connections, and it does just that.

It is a sad commentary upon our skill as explainers that people who can master the intricacies of an automobile and talk knowingly of carburetors, gear shifts, and ignition systems cannot be



J. W. LONGNECKER  
Advertising Manager Hartford Fire

becomes a thing apart. So the first step in solving any problem of public relations, which is the wiping away of misunderstandings, must be taken in unscrambling that business and finding words that mean the same thing to the



EDWARD D. LAWSON, Chicago  
Vice-President William H. McGee & Co.

taught to understand a fire insurance contract.

A publisher of a business magazine once wrote to an advertising man and said: "I'll pay you \$100 if you will take

(CONTINUED ON PAGE 15)



CASUALTY  
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SURETY  
BONDS

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*Casualty*  
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We want to serve you in emergencies.

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We have been local agents for many years. We meet the same problems you do and our experience should be valuable to you.

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A local Illinois Company for Illinois Agents.

Keep Illinois Premiums in Illinois.

Writing all forms of Insurance, including Farm.

Agents wanted where not represented.

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### Why the Illinois Ass'n. of Insurance Agents?

The Illinois Association of Insurance Agents is fighting your battles. It is championing your cause. It is adjusting your grievances. It is stabilizing the business and making it permanent. It is seeking higher standards of agency representation and service.

Address Shirley E. Moisant, Secy., Kankakee, Ill.

## Sole-Agency Basis Effective Solution of Existing Evils

By **HAROLD M. O'BRIEN**  
President Chicago Fire & Marine

THE companies and the agents are jointly at fault for the present problems that confront us. When we were on the sole-agency basis, the average agent represented 10 to 15 companies and each company wrote its net line and the average agent brokered a great deal of business to his competitors. In that way the business was spread and we received the proper average and the proper premium income out of our agencies. Your competitor agent at the same time brokered business to you and in that way your premium income was maintained to your companies and we had a very desirable spread on our business. Take the situation as it exists today in Chicago: By local board rules we have four Class 1 agents per company. In reality, instead of 255 companies operating, we have the equivalent of 1,020 companies, for the reason that we must give each agent the same authorization as his competitor.

inducement of the purchase of mortgages is held out, and in the case of a bank, deposits and the purchase of mortgages.

I do not believe that the agency system in this country will be on the proper basis until this association, with the help of the National association, insists that companies represented by its members are on the sole-agency basis. When that



**HAROLD M. O'BRIEN, President**  
Chicago Fire & Marine

### System Has Created Many Unqualified Agents

Instead of having a supply of companies equaling the demand of the agents, we find ourselves with an excess number of companies, or agencies to place. The consequence is that we have made it possible for men to open insurance offices who are not qualified to act as insurance agents. These men in turn are direct competitors of every qualified agent and to meet the competition that has been created by this situation, the qualified agent has found it necessary to write a class of business that under ordinary conditions he would not have in his office, and his sub-agency and brokerage business is no longer a source of profit to him as it has been in the past, for the reason that there are four times as many agents soliciting that class of business as there should be.

### Forced to Offer Special Inducements

Again we find the supply exceeding the demand, for the reason that the companies offered to the broker and agent to write the business which he controls are the same as the old, established office represents and there is only one way to get that broker or agent to switch and that is by offering inducements which the other agency is not allowing. The inducements are varied, depending on the situation and the class of business of the broker and agent. On the full time broker and sub-agent, the only thing to offer him is excess commission. On the part time man who handles insurance and real estate, the

time comes we can expect cooperation and intelligent underwriting from both the companies and the agent. But if we continue to appoint men who have not made a life study and work of the insurance business, our underwriting problems are going to remain the same as they are today and there will be no incentive for the qualified agent to try to underwrite his business, for the reason that if he does, and declines the poorer class of business for his companies, his competitor, who represents the same companies in the same city, will write the business he rejects, and the companies will write it.

### Need for Agents' Qualification Law

There is a great need, in all states that have not adopted same, for an agents' qualification law. I believe that if Illinois had an agents' qualification law, that the number of agents would be reduced at least 25 percent and part-

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Exclusive Automobile Insurance. An Old Line Stock Company.

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time men and the men unqualified to write insurance would be out of the business and their business would revert to the regular agency channels.

#### Many Existing Evils Chargeable to System

It is of paramount importance that the sole-agency system be established and maintained throughout the United States. We have many evils in our business today that would automatically correct themselves if we were on that basis. I believe that at the present time we can trace the excess commissions in the larger cities to the multiple-agency system, and I am equally positive that the high loss ratio is directly chargeable to that system. If we were to go back to the sole-agency system, we would eliminate a big percentage of the present agents, who do not belong in the business and would find that the local agents of our companies would be loyal to us and we would be of value to them. We would again find our agents, under such a system, underwriting our business and guarding our interests. Competition for both of us would be reduced and the consequence would be that our expense would also come down. Our field men would be of real value to the agent and we would find that automatically the poor and slow-pay agent, and the "side-line" man would eliminate himself and that the man in the insurance business who is properly qualified would profit by his ability and knowledge of the insurance business. At that time insurance would again be classed as a profession.

#### Fire Prevention Report

In his report as chairman of the fire prevention committee, Allen Murphy, Eldorado, said that the fire prevention work was beginning to show fruit. He said that the fire marshal's department has proved to be a great aid in the work, but the department is handicapped by lack of funds to make a general inspection of every community. Mr. Murphy reported that in all cases where a departmental inspection had been made and an order issued to correct defects the property owner had given more serious thought and quicker action towards eliminating such conditions than when the local agent called his attention to the same.

"In the interest of fire prevention," Mr. Murphy said, "I hope to see the day when our fire marshal's department shall be able to give each and every community a genuine inspection service." In conclusion, Mr. Murphy urged the agent to get their respective city governments to pass fireproof roofing ordinances and provide chimney inspection service.

#### Rock Island Bids for Next Annual Meeting

Rock Island undoubtedly will get the next annual meeting. The mayor, chamber of commerce and local agents all extended invitations. The Illinois association has never met in Rock Island. F. J. Budelier, secretary of the Rock Island Board, who is also connected with the H. H. Cleveland agency, brought the invitation from the local agents. He said that all members of the Rock Island local board are members of the Illinois Association of Insurance Agents. They are using the National association advertising forms in daily papers effectively.

#### Convention Committee

President Newburger appointed on the resolutions committee J. A. Giberson of Alton, chairman; George N. Wright, Aurora; Allen Murphy, Eldorado. On the nominating committee he appointed Ernest Palmer, Chicago, chairman; John C. Lanphier, Springfield, and Raymond Lennon, Joliet.

## Recognition of New Insurable Values Booms Premium Incomes

L. D. Edson, manager of the accident department of the Zurich, spoke on "New Agency Profits and Personal Coverages." He told of the many opportunities existing for selling accident and health insurance. The public has become conscious of insurable interests, Mr. Edson said, and he showed how the average life insurance policy has increased in size within the last few years. The development of new insurable values has been apparent in other lines of insurance as well and has brought a greater premium volume to agents. Mr. Edson called attention to the large insurable values in accident and health insurance. He said that the leading surgeons who are making large sums in operation fees are actually making the money with their fingers and thumbs. Fingers and thumbs offer a tangible insurable value for they can be seen and felt, they are material objects.

#### Business Man Would Insure Factory or Store

"If a business man has a factory or store making him thousands yearly, will he fail to insure it to the hilt?" asked Mr. Edson. "Hardly. Tell your surgeon that you are prepared to insure his fingers and thumbs for \$100,000 against the effect of any injury or any disease which may cause him to lose the use of one or more. If you think that he will not be glad to pay the necessary annual premium of \$600 to \$800, you underestimate both his intelligence and your own."

This illustration holds good, added Mr. Edson, in regard to dentists, architects, musicians, and other professional people who are dependent upon the work of their hands for their income.

Accident and health insurance can be used to supplement workmen's compensation coverage. The weekly benefits of workmen's compensation insurance can only partially pay the loss of time of valuable men. This is a problem for the heads of large firms. It is usually the custom to continue for a time the salary of any valued employee who has

become disabled. "When a \$150 a week man is drawing \$15 a week compensation and the balance of the \$135 a week is coming from the firm, the problem is obvious," said Mr. Edson. Individual applications need not be taken, but one policy can insure all the men receiving large salaries and the indemnity made payable to the firm. The firm for good will purposes will contribute part of this to the employee and have left a substantial sum to make up for the loss of his valued services, said Mr. Edson.

#### Reveal Special Coverage Problem

"Go to a man of independent means," said Mr. Edson, "a successful capitalist, financier, owner or manufacturer. Lose no time in revealing to him your understanding of the fact that he has a special personal coverage problem; that he is in a class wholly different from the average wage or salary earner who is dependent thereon from week to week. What is this man's true insurable interest? What chord shall you touch to come away with a premium of \$700 or \$800? Remember that this man's mind is working differently from the average. He uses business judgment, looks ahead, plans; he has built an estate, accumulated money and property; he thinks in large figures, he capitalizes things, is interested in money or values which he can hold onto, yet make work for him to accumulate more money and values. There is your chord of insurable interest in his case."

"Disclose to him that you are prepared to capitalize him, himself in relation to injuries and disease. Tell him you will place a physical valuation on him of \$100,000; that if injury or disease removes him from activity altogether you will pay that in a lump sum. Remind him that this remains right in his estate and will earn him from \$6,000 to \$12,000 yearly, in other words, brings in as much or more than a weekly indemnity policy yet remains his in full. This appeals mightily to his business judgment and type of mind; he sees

real business value to your proposal. Tell him further that if injury or disease does not remove him from activity, but does leave an impairment, you will pay him lump sums of \$20,000 to \$80,000, in proportion to his impairment. Compare this with weekly benefit basis of one-half weekly rate for 26 or 52 weeks, and your man sees that he has at last encountered someone who has applied financial acumen to his personal coverage problem. Show him further how, if he is on a weekly indemnity basis, he cannot be certain how long he will receive the same or live to receive it; if he dies after a few months his compensation has been but a few hundred dollars, whereas you plan will leave \$100,000 added to his estate. Finally, tell him he would not insure his factory or store against fire on a weekly indemnity basis, so why should he insure himself against injury and disease on such a basis? You are now about to make a real sale, collect a real premium of \$700 or \$800, and prove to yourself the power of true insurable interest.

"Other new insurable interests and other ways of discovering and utilizing true insurable interests, can be pointed out; but I am sure enough has been said to give you the cue and to direct your thinking into channels of new agency profits in personal coverage. I hope that every agent here will start tomorrow to take advantage of what is happening and what is going to happen in the personal coverage field."

#### ASSOCIATION'S PROGRESS DURING THE PAST YEAR (CONTINUED FROM PAGE 5)

—loyal to your association—live your membership—be the representative man of your community—improve yourself through your state association and induce others to join. Be loyal to your business. Conduct it by right principles and discourage bad practices in underwriting.

Be loyal to your companies—the companies that are loyal to their pledges to our association and to the American agency system. Be careful about giving up old friendships and old loyalties for the new. Understand the value of a loyal company, and the voice of the tempter who bids you to make a change will not be heeded.

## INTER-OCEAN REINSURANCE COMPANY

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*Treaties Adapted to the Individual Company's Needs*

**FIRE**

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**Assets \$2,813,006.69**

**Reserves \$1,797,974.00**

**Surplus to Treaty Holders \$1,015,032.69**

# Fidelity and Surety Lines Lucrative

By JOHN G. YOST  
Assistant Secretary, Fidelity & Deposit

IT IS true that in surety lines a great many bonds are required by reason of some law or some rule laid down by public officials. I refer to the bonds required of administrators and guardians of estates; bonds required in legal proceedings and by the government and other political sub-divisions for the erection of buildings, construction of roads, furnishing of supplies and other activities, and bonds required of public officials and by them from their subordinates.

It is contended by some that no salesmanship is required to write this class of business because the bonds must be given anyway. On the contrary, salesmanship is required and an agent is successful in writing this class of business in exactly the proportion that he is able to sell himself and the services of his office and his company to those who must give these bonds. These mandatory forms are responsible for the creation of a steady demand for

surety bonds, and which are primarily those guaranteeing the honesty of employees, are more like insurance and may be solicited in the same manner as insurance. Every concern and organization having one or more employees is a prospect. As in the selling of other insurance, however, you must know fidelity like you do your other lines.

## Fidelity Bond Forms Prepared by Companies

In the surety lines (in the vast majority of cases) the bonds are prepared for us. If the risk is one we will write, we must sign the bond submitted. In fidelity lines, bonds are mostly prepared by the companies. The regular fidelity forms are basically identical and any differences are largely those of conditions. A form which differs from the general fidelity forms is the blanket bond, up to a short time ago available only to banks. It is different from the other forms in that it covers a group of employees for one fixed amount and agrees to indemnify for any loss occasioned by any one or all of such employees, limited however to the total amount of the bond. Recently the companies prepared and are offering a blanket bond for mercantile risks. As in the case of the bankers blanket bond, these forms cover on all employees included in them up to the total amount of the bond. Knowledge of all these forms, their coverages and conditions may be obtained by reading and studying them.

## Applications Give Valuable Information for Other Lines

In writing fidelity bonds, a lot of agents, in trying to make it as easy as possible for the employer, throw out the suggestion that they may be able to have the company waive applications. That may make it easy for the employer and easy for you, but it takes from him something for which he pays and takes from you a wonderful chance to increase your business in other lines. The premium on fidelity bonds includes the cost of investigation of the employees. If the employer does not furnish you with ap-

plications from these employees he does not get the benefit of that investigation even though he pays for it.

## Give Leads to Other Insurance Coverages

Now regarding your chance for the development of other lines of business through these applications. The regular fidelity application asks, among other things, the following: Value of your real estate, if any; value of your personal property; are your parents possessed of any property, real or personal; is your life insured; do you carry accident and health insurance; are you acting as executor, guardian, trustee, or in any other fiduciary capacity; and are you a member of any lodge, association or beneficial organization.

Here, right within your grasp, are leads to fire, burglary, life, automobile and other lines. These applications first come to you to be transmitted to your company. If, before they leave your office, you will transfer to prospect cards for these applicants that information, you will be in a position to intelligently solicit these other lines from them.

## Each Applicant Should Receive Congratulations

Of course, you must have some point of contact with these applicants, because your transaction has been with the employer. My suggestion here is that when you know your company has approved these risks, you write each applicant, congratulating him on the fact that after an exhaustive investigation your company has seen fit to back him for whatever amount his bond may be. All of us appreciate congratulations on birthdays, weddings and other events which are subjects for congratulations, and in the cases we are discussing such a letter would be a good lead to further follow-up. You might even enclose in that first letter one of the many pamphlets furnished you by your companies and in each case, covering that particular kind of insurance which the information disclosed by the application in-

dicates the applicant probably most needs.

There may be some doubt as to the advisability of doing that in the first letter, but that is a matter for individual judgment. Anyway, that brings me to the subject of advertising and the folders prepared and supplied you by your companies. Every one of you is supplied by your companies with folders and booklets describing and explaining the different kinds of protection offered by them. These folders and envelope stuffers are not hastily prepared—they are given much thought and supplied to you at considerable expense. They are of education value as well as advertising value. They are your silent salesmen; they are what the show window is to the store. If you keep them under your counter they are no more helpful than a department store show window with the shades drawn. And just like a show window display repeats its appeal daily to those passing it, these descriptive



JOHN G. YOST

Assistant Secretary Fidelity & Deposit

bonds similar in character as guarantees in private business transactions where the hazards and the risks are somewhat identical to those in which surety bonds are an absolute legal or department requirement.

## Offers Chance to Give Other Suggestions

Here, in this private field, is the opportunity to serve and your knowledge of statutory or compulsory forms and your development of that class should be of considerable value to you in suggesting to prospects as well as your own clients, ways in which they may relieve themselves of risks which might be involved in some particular undertaking and which they should not and need not assume in the usual course of business.

Bonds are therefore written today in connection with almost every conceivable kind of a business transaction and there is hardly a business house which isn't at some time required to give a bond guaranteeing the fulfillment of some agreement or contract or that doesn't require that someone else give a bond in its favor for the same purpose. That is the reason I say that the familiarity with and the development of those classes of bonds which the law requires are a great help to the development of other business in the form of bonds which might be suggested to your prospects or clients as a medium through which they may solve some particular problem or take care of some particular situation.

Fidelity bonds, as distinguished from



L. D. EDSON, Chicago

Accident Superintendent, Zurich

folders will repeat theirs if sent out often enough. Just as with newspaper or any other advertising, persistency pays most! Repetition is reputation.

## Report on Organization Work

Harry L. Leach, Morris, Ill., as chairman of the organization committee, reported:

"During 1928 we have held eight regional meetings, including the April auto month meetings, and two local board organization meetings, the local board meetings having been held during the past two weeks at Marengo and Elgin, respectively.

"We have divided the state into several districts or sections and have a district chairman over each section. Some have been very active and have accomplished very good results, both as regards the securing of added members and local board organizations. Several cities have come into being with local boards during the year, but we would suggest that unless the boards have something definite to accomplish that they will very likely not flourish. Your chairman has had in mind for some two years past the organization of a definite board program, and has written several state and special agents and company men, asking them to outline what they would consider a good plan of procedure. It was thought that we might combine a production program with our local board meetings, having a special drive each month on some undeveloped line of insurance."

## Palmer Tells About Work Library Does

Ernest Palmer, manager of the Chicago Board, in a talk told the insurance people that the insurance library in the Insurance Exchange conducted by his organization would be happy to meet the needs of insurance and the public in every possible way in supplying literature. He said that the Chicago Board spent last year \$7,500 on the library. It conducts in addition to the library book service, a clipping and reference department. Mr. Palmer said that the library will be glad to get any book pertaining to insurance for those in the business and loan it. The Chicago Board has taken over the Chicago Insurance Club classes which were conducted under the auspices of the Insurance Institute.

He said that so far only a fire insurance course had been perfected. He hopes to get the casualty and life people interested so that courses can be conducted in these lines. He desires \$1,000 each from the casualty and life people. He said that the library and the educational courses should be brought up to a high standard in order to assist those in the business, especially aspiring clerks, in making themselves better prepared for their work.

## Twelve Members Died During Last Year

The Illinois Association of Insurance Agents last year lost 12 members by death. Two of these were former presidents, C. F. Hildreth of Freeport and E. R. Partlow of Danville. Mr. Hildreth also served as president of the National association. The others who died were as follows: H. H. Rassweiler, Naperville; C. H. Kunneman, Granite City; L. S. Lord, Bradford; J. W. Webster, Danville; Mr. Wolford, Danville; O. M. Tucker, Mattoon; John R. Kenny, Mattoon; W. A. Holland, Streator; Henry J. Magner, Taylorville; H. W. Judd, Zion City.

At the Springfield meeting proper resolutions were adopted in tribute to these men.

## Public Utility Protest

J. A. Giberson of Alton, chairman of the resolutions committee, stated that one resolution had been presented to the committee which was a protest against public utility concerns whose securities to a large extent insurance companies own, becoming self insurers or dealing with mutuals and reciprocals. Mr. Giberson said that this resolution would be drafted in proper form and then would be sent out to all interested public utility companies.



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President

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HENRY F. TUERK  
Secretary



The Oldest Illinois Stock Fire Insurance Company

51 Years of Service in Illinois Writing Fire and Tornado Insurance

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We Sell 109 Separate and  
Distinct Forms of  
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Insurance

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Oldest Fire Insurance Agency  
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"PEORIA LIFE BUILDING"

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GENERAL INSURANCE — BONDS



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175 W. Jackson Blvd.

CHICAGO

## Essential That Agents Should Aid in Reduction of Accidents

By E. IRVING FIERY  
Bowes & Co., Chicago

**I**n my opinion there is no branch of insurance, which affords so great an opportunity for constructive salesmanship and intelligent servicing, as does workmen's compensation.

The prerequisite, however, is a thorough knowledge of the provisions of the state workmen's compensation law. An intimate knowledge of the basic law which compels in the majority of cases, the purchasing of this class of insurance, is bound to impress the purchaser and instill in his mind a confidence in you, which lays the ground work for your solicitation.

It enables you to assist the company in a fair and equitable adjustment of all claims, with a subsequent assurance of satisfaction on the part of the employer that justice has been done to his employee.

### Offering Service Which No Mutual Can Sell

The form of competition which you find confronting you should be determined and then forgotten. Conditions today, insurance-wise, are not what they were 5 or 10 years ago. Your arguments of that period will not fill the bill of today. In the olden days it was stock vs. mutual. True enough that condition still exists and very probably always will, but I recognize no such competition in my solicitation, for the reason that I am selling a service which no mutual can offer.

Reduction of overhead cost is one of the most vital problems confronting industry today. Busy executives will more readily grant an interview to an insurance salesman, who comes to them with a plan calculated to reduce their operating expense, than to the one who comes merely to talk insurance.

High salaried cost calculators are employed by industry to "plug the leaks" due to causes all the way from purchasing raw materials to selling the finished product, but no attention is paid to the cost of accidents.

### Accident Costly Even to Insured Employer

The average employer will and does feel that the insurance which he has purchased will take care of any payments made necessary by accidents suffered by his employees. That is true, as far as the medical, hospital and weekly indemnity is concerned, but what he has not considered is incidental cost of this accident, which he must pay and which properly should be added to the cost of his insurance premium.

Accidents are more costly than you think. The employer pays the injured workman while he is being treated. He loses the production from his machine. He loses production from the adjoining machines, and the chances are very good, that when the injured workman returns to resume his work, it will be quite some time before he is 100 per cent efficient. Net results—increased cost of operation, loss of machine hours, increased labor turnover, increased insurance costs and poor morale.

Organized safety is the most effective instrument you can use to meet any form of competition. It is equally effective in connection with contractors, quarries, mines or in fact any class of industry where the machine hazard is absent.

### Gives Better Entree to Company's Other Lines

All very fine, you may say, but too much work for the commission involved. If you have maintained the contact with employer and employee necessary in the

proper servicing of a line of workmen's compensation, whom may I ask has a better entree, or is better equipped to handle the corporation life case, group, automobiles, boilers and miscellaneous lines of insurance than you. If you have interested yourself in the welfare of the employee—who, may I inquire, is better fitted to handle their personal insurance.

If you have sold service, instead of dividends, and delivered that service, show me the employer who can deny



E. IRVING FIERY  
Bowes & Co., Chicago

that you have earned your commission, or the competitor who can unseat you as that concern's insurance advisor.

Secure a compensation line and service it for a year intelligently and humanely, and you will have built to yourself a monument, upon which not only your posterity, but those of all employees will point with pride.

### Stafford, Longnecker Speakers at Banquet

There were two set speakers at the banquet, John F. Stafford of Chicago, western manager of the Sun, and John W. Longnecker, Hartford, advertising manager of the Hartford Fire. Mr. Stafford spoke on the delights of good fellowship and the necessity of passing sunshine along. Strong and good friends, he argued, are the mainsprings of happiness. Mr. Longnecker told of the agents' part in public relations, pointing out how they can be a factor in creating good will for insurance. C. M. Cartwright of THE NATIONAL UNDERWRITER acted as toastmaster. In addition to the set speakers, brief remarks were made by R. W. Troxell, the newly elected Illinois president; R. P. DeVan, National association president; Thomas E. Gallagher of Chicago, former western manager of the Aetna; Ernest Palmer, manager of the Chicago Board; J. M. Newburger of Chicago, retiring president, and George W. Alschuler of Aurora, well-known local agent who is Democratic candidate for state treasurer. In addition to those mentioned there were seated at the speaker's table Secretary S. E. Moisant, Frank M. Chandler of Chicago, assistant manager Employers Liability; Insurance Superintendent George Huskinson; President H. M. O'Brien, Chicago Fire & Marine; State Fire Marshal S. L. Legried, Frank G. Budelier, Rock Island, and W. E. Heckrote of "Rough Notes."



## Problem of Public Relations

(CONTINUED FROM PAGE 7)

a fire insurance policy and translate it into English."

It would have been a regrettable mistake had that writer tried to do anything of the sort. But he saw the pitfall and answered. "Try reading a policy just once. You will find that it will scan or parse, and stand any test of grammar or construction you may apply to it. Furthermore it will stand the test of the courts for it says exactly what its signers intend it to say and will pay any honest loss its holder is entitled to recover."

### Advertising Makes People Insurance Conscious

Advertising will do its part—in time. At any rate it is making people insurance conscious. In the past 20 years, which is not a long time in the whole industry of insurance, a lot has been accomplished when you consider the competition for attention insurance has been forced to meet.

The public relations problem is one of the by-products of mass thinking, and its cure, or improvement, lies in the control of the avenues of communication, those avenues that bring to us each day the thoughts and actions of the world. Our provincialism has been broken up by the newer and improved methods of spreading information, such as the modernized channels of news.

### Public Relations Will Always Be a Problem

There should be no kidding of ourselves about this job of capturing our individual share of attention. At the rate we are living; at the speed we are moving; with the constant battle of industry with industry going around about it, and the multiplication of interesting things to do, nice things to have, and to long for, there is small hope that insurance or any other great activity will ever again see the day when there will be no public relations problem. The problem of getting ourselves believed in and accepted is like the struggle for life: it must be kept up, with a stiff upper lip though the heavens fall, as long as there is a wish to survive. In its bigger aspects our relations with the world about us is a staggering proposition, and insurance and insurance agents must swim or sink.

However, when we break down the problem of public relations to its individual aspects and its personal application there is hope for the local agent who can get in tune with the times, and that is what you are most interested in tonight.

You want to know some of the ways you individually can go about the job of capturing a little, or a lot, of this attention that is so necessary if you are to do your stuff. You want to know how to tell your story and get yourself believed in and accepted.

### Will Not Tramp Upon Insurance's Toes

But before tackling that angle of it, there is a thought that must be put before you. The lime-light of public attention is a cruel light. It is like the new ultra-violet rays that cure when properly used, but may kill. The spotlight of advertising illumines the person on whom it is thrown. It shows up those who are strong and lets the world see them as they are, but it will as relentlessly attract attention to the weaknesses of the man who is weak. Advertising is not for the man who can't come through.

The whole world is determined to do away with war; but there is no desire to escape the thrill of a challenge and a fight. All new ideas must fight with the old. Insurance, and insurance agents, must fight the traducers of insurance. Insurance must combat with its ignorant attackers and accusers. It

must fight for its principles and its ideals of service. How better can it explain its methods than to take the positive side in every controversy and say boldly that it maintains this or that premise as the best than can be devised because of such and such reasons. When the world learns that insurance will fight back for its principles, people will be a bit careful how they tramp on its toes.

### Get Public Working With Insurance Interests

We have recently gone through a fire prevention week campaign. In that campaign thousands of agents pointed with a trembling forefinger at the appalling annual loss by fire. Being good underwriters these men wanted fewer fires—and said so. But how few asked the people to join with them to reduce the loss by fire, as did one company executive whose interview was featured by an editor because it took all the people of the community within its scope. Here is what that executive said: "A continued record of immunity from fires results in reductions in fire rates which, in the aggregate, is a matter of considerable importance. But the great gain to a community, following such immunity, arises not so much from the saving in insurance premiums as from the prevention of losses which cannot be covered by insurance, although some degree of insurance protection is well-nigh universal."

Insurance says that it is taxed too high. It says that and nobody gets excited about it. For that matter every man thinks that he pays too heavy a tax. But let insurance say to people, in private talk or public story: "Come join with us for a proper revision of our taxes because you are paying these taxes; the insurance company only collects them, you pay the bills." If insurance would do that with illustrations and incident and good plain argument, every editor in the land would print the story, for he would have a chance to champion the cause of his friends and neighbors who read his paper. But nobody other than company executives is going to get excited over the insurance company's taxes until the folks

who pay the bills are shown how they are personally effected by the tax levies and what to do about it.

### New Competition in American Business

In certain aspects this problem of improved public relations in the fire insurance business is a part of what somebody has dramatically called the new competition in American business.

That new competition means not the simpler, older form of competition between men in a given line of work or those engaged in a class of business; such as the ancient persistent competition of one local agent with another. It is rather a bigger, more relentless type of competition of one kind of business with some other business; or between industries.

The competition of one industry with another industry is here. Only time can tell whether it is for good or evil, whether it will lead to the confusion or the improvement of business.

Through the central organization of the National Board, guided and directed by the public relations committee of that board, you are having built behind you a background that has as its purpose greater public use of the board's facilities in the scientific prevention and control of fire—to the end that the local agents may render an even greater service at a lower cost to the insuring public. As the campaign develops it will be seen that fire underwriting as conducted by the stock companies is much more than paying losses, measuring hazards, and collecting premiums, but includes, among many other services to American business, the conservation of life and property, which in turn involves extensive research, engineering, laboratory tests, actuarial compilations and educational work.

### Agent Must Play His Part in Plan

But the insurance companies cannot do the job ahead of the insurance business alone, any more than they can thrive and grow alone.

There are three sides to this insurance triangle. One is the public; the other, the companies; the base, the local agents. The agents are also the base of everything that is to be done and all that is to be gained in public relations. The National Board and the individual companies can paint the background but the

local agents will have to exemplify the story of insurance to the individual property owner, and reinforce and make it all effective or the big idea of the National Board will fail.

It is the local agent who will crystallize the good will of the companies into actual public opinion.

### National Board Furnishes Means for Local Agent

Four years ago you were told that the best way local agents could get into this battle for a better public relations was to get together on some sort of cooperative advertising in a local newspaper. That advice still stands, and the means for carrying out the idea will be supplied by the National Board.

But, not yet are all groups of local agents ready to bury the age-old hatchet of personal competition and go out determined to make insurance better understood. Some of you must go it alone.

### Advertising More Valuable Than Ever

Whether you are one man or an organization, there is only so much ground that a human unit can cover in a working day. While you are talking to one man, there are any number of men that you cannot be talking to. Any one of them might be a more desirable prospect than the one you have on the string, but you do not know it; you cannot know it until you have made the rounds of the others. But there is a device by which you can talk to the waiting hundred, or the waiting thousand, not only while you are having your interview with the first prospect, but all day long, and in the evening after the office has closed, and on Sundays and on holidays

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Phone 345

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—and that way is advertising—your advertising.

The agent who does not use the columns of his own newspapers to tell people who he is and what he has to sell, is overlooking and neglecting the most powerful device for creating favorable impressions of his business that our modern industrial civilization has developed. That sounds like a rather strong statement. It is meant to be. Today advertising has more worth than it ever had. The public has become advertising-minded. It expects to learn things from advertising. The advertisement is a natural means of communication between you and your prospects.

The best rule for those who write advertising is not to write advertisements, but instead, write talk—your talk—the kind you use when there is a prospective client on the other side of your desk trying to find out what agent

he should select as his insurance counsel.

There is no formula for building a reputation. It accumulates. The outstanding insurance agent in any community (and there is always a leader) didn't suddenly jump into preferred position among his fellow agents. He grew into it. He accumulated experience. He accumulated insurance knowledge. He accumulated ideas for servicing his clients. And, best of all, he accumulated good-will, because he didn't hesitate to go after it in the fastest-working way known to modern business.

#### Constant Advertising Only Kind That Pays

Advertising campaigns! Not a card in the paper now and then. Not an occasional announcement, when he had time to write it. Nobody ever won the public with an every-little-while advertising

policy. The agent out in front is a hard-hitting, keep-it-up advertiser. He plans his campaigns by the year. He knows in advance what he is going to spend and what he has to sell. His advertising appears with clock-like regularity. Everybody knows he is in business, and what is more to the point, everybody knows he wants business and if he gets it he will handle it expertly.

The cumulative effect of advertising is enormous. An occasional advertisement, however good in itself, means nothing. It is like a strand of rope, breaking under the slightest strain. But take a hundred such strands, twist them into a cable, and you have something that will enable you to hold your place against the combined pull of competition.

#### Chart Course and Then Stick to It

What the agent about to launch into public relations work needs most of all is direction. For even a small campaign it is necessary to chart a course of action and stick to it. The easiest way in the world to waste advertising money is to pursue a policy of indecision, to roam around, trying this and that, shooting at moving targets, starting somewhere and stopping on the way, deciding to go somewhere else.

The agent who thinks he cannot afford to add advertising to his many other agency expenses, is pretty sure to be the agent who has been advertising in a costly way. He has been trying to use advertising in impossible ways; to overload it, to spread it too thin, to limit its chance to make good.

As a general proposition, two agencies in a given locality are just about alike. Both understand insurance, both represent good companies, both are pleasing personalities, both have friends, both enjoy good reputations.

#### Must Break Resistance and Arouse Interest

The difference, when there is a difference, is in the mental attitude of each towards his business and his public. One wonders why in the world people are so indifferent about so vital a thing as insurance. The other doesn't wonder about such a situation. He recognizes it, sees in it an obstacle to his success, and puts advertising to work to break it down. And this breaking down of resistance or arousing of interest—it's the same thing—is no evening's chore, nor is it a three months' job. It takes years.

So the aggressive agent runs his advertising as he runs his business. They go along together, day after day, and he'd no more think of stopping one than the other.

Advertising isn't something to try—any more than insurance is something to try. What would you think if a client of yours dropped in some morning and said: "I guess I won't renew my policies. I've tried your insurance for quite a spell and it hasn't done me a bit of good?"

#### ILLINOIS AGENTS' NEW CHIEF TAKES THE HELM (CONTINUED FROM PAGE 3)

becomes second vice-president. Mr. Teninga has given much time to the association.

The resolutions committee headed by J. A. Giberson of Alton did not present a series of resolutions as has been the custom in the past. It contented itself with bringing in memorial resolutions for those who have died during the year and then recommended the standard resolution drafted by the National Association of Insurance Agents putting the Illinois association on record against the Firemen's, Girard Fire & Marine, Northwestern National and National Union.

#### No Member Can Have the Outlaw Companies

By this resolution the constitution and by-laws of the Illinois association are

changed so that any agent representing any of these companies will not be permitted to retain membership in the Illinois association. President R. P. DeVan of the National Association of Insurance Agents, who was present, stated that while it was necessary to pass resolutions of this character if the state association was to continue with the affiliation of the National body, yet no undue haste should be taken in enforcing the qualification rules because in some cases there were sentimental attachments between an agent and a company that had been outlawed by the National association, which it would not be easy to break. Therefore, he said, tact should be used. However, the Illinois association goes squarely on record as supporting the National association in voting these four companies as being in violation of some of the basic principles of the organization.

Since the Illinois association has been incorporated it was necessary to amend the constitution and by-laws to comply with the law.

The program presented was an excellent one, much of it being of an educational nature. More and more local agents are seeking to improve themselves and raise the standard of representation.

#### Reinsurance Issue Goes to Committee

J. A. Giberson called attention to the fact that a few years ago the association authorized the compilation of a list of stock companies reinsuring mutuals, either taking reinsurance from mutuals or ceding reinsurance to them as found in the annual statements filed with the Illinois department. Mr. Giberson said that R. W. Troxell of Springfield had this list compiled. It was handed to Mr. Giberson and nothing more had been done about it. Mr. Giberson found one of his companies on this list. He wrote a letter about it. The company replied that it felt that these transactions were its own business and it resented the interference of meddlers. Mr. Giberson promptly resigned the agency of the company. He said it was an impossible situation to find stock companies dealing with mutuals and reciprocals through the reinsurance route. It was unjust to agents and inconsistent with the stock insurance principles. It was voted to have a special committee appointed to handle this subject. Mr. Giberson said that as a matter of fact there were not so very many agency companies involved. The chief companies are free from the mutual and reciprocal affiliations.

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JOHN B. ANDERSON

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**Bert L. Fitz Gerald**

**INSURANCE  
BONDS AND LOANS**

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"The Agent who does not read his trade papers is worse than the horned toad shut up for 30 years in a Texas church cornerstone. He is just alive and mostly asleep."—George A. Caldwell, president of the Tennessee Association of Insurance Agents.

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NATIONAL UNDERWRITER COM-  
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### FIELD SHEETS

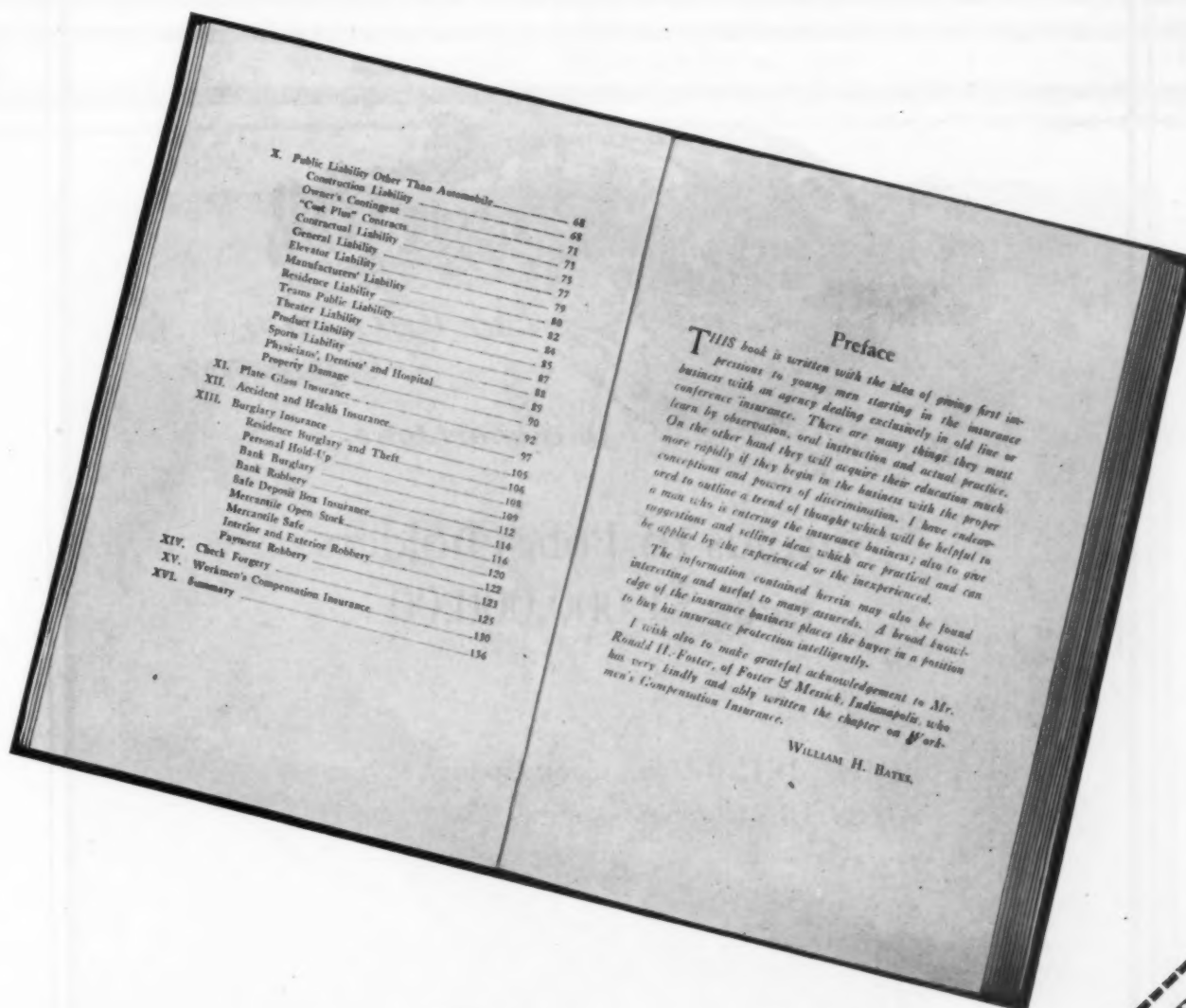
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This is the kind of book agents find most useful. It will help any agent increase his premium income and commission earnings. It can be read frequently and referred to with profit, by those not familiar with some of the best premium lines.

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